Capital Gains Tax Valuation Report

Subdivision 112-E: transitional deemed disposal at 1 July 2027

Illustrative example: fictional property, tenancy and evidence

18 Ardenne Way

Dandenong South VIC 3175

DATE OF VALUATION	LETTABLE AREA	ASSET CLASS
25 August 2026	210 sqm (GLA)	Industrial warehouse

ElevateIQ Group Pty Ltd

Independent valuations signed by AAPI Certified Practising Valuers

1. Valuation summary

18 Ardenne Way, Dandenong South VIC 3175. Illustrative example. The property, its tenancy and every sale and lease relied upon in this report are fictional and have been created solely to demonstrate report format, methodology and evidence standards. Property imagery, a location plan and photographs appear at this point in an issued report.

MARKET VALUE AS AT 25 AUGUST 2026

$760,000

Seven Hundred and Sixty Thousand Dollars, exclusive of GST

Property	18 Ardenne Way, Dandenong South VIC 3175
Date of valuation	25 August 2026
Date of inspection	N/A. Desktop assessment. Refer critical condition 1 at section 1.1.
Purpose	Illustrative example. Demonstration of the capital gains tax transitional valuation product. Fictional property and evidence. Not prepared for a taxation purpose.
Interest valued	100% freehold interest, subject to the existing lease, to be confirmed against title
Basis of value	Market value 'As Is' subject to the existing lease
Basis of assessment	Desktop valuation, no physical inspection
Adopted rate	$3,620/sqm of lettable area
Primary approach	Direct comparison
Secondary approach	Capitalisation approach
Instructing party	Example Pty Ltd
Reliant parties	None. This report may not be relied upon by any party.
Job reference	EXAMPLE-CGT-0001
Date of report	27 August 2026

1.1 Critical conditions

This valuation is strictly conditional upon each of the conditions set out below. Each condition is integral to the opinion of value expressed in this report and the opinion cannot be read separately from them. Where any condition is found not to hold, or where information subsequently comes to light that is inconsistent with a condition, ElevateIQ Group Pty Ltd reserves the right to review and amend the assessment, and no party may continue to rely upon the assessment as expressed. The valuation is to be referred back to the valuer in that event.

1. No physical inspection

This valuation has been prepared on a desktop basis. No physical inspection of the property, internally or externally, has been undertaken. The physical attributes of the property have been derived from records supplied to us and from publicly available sources, including planning and cadastral data, aerial and street-level imagery, listing records and historical marketing material, current at or about the valuation date. That material has been collated by automated means and reviewed by the valuer.

2. Information provided by the managing agent

We have relied upon lease, outgoings and property information recorded by the managing agent of the property, as set out in the Provenance of Information at Appendix A. We have not audited that information. This valuation is conditional upon it being correct and complete.

3. Lettable area

The lettable area of 210 sqm has been adopted as recorded by the managing agent. No measurement survey has been undertaken and the area has not been independently verified. A material variation in area would produce a proportionate variation in the assessed value.

4. Title and interest valued: no search undertaken

No title search has been undertaken. Title particulars stated at section 3.2 have been adopted from publicly available cadastral records. The interest valued is stated as a 100% freehold interest and this has not been confirmed. The registered proprietor has not been confirmed and no search has been made of encumbrances, easements, covenants, caveats, restrictions, notifications or other dealings affecting the land. This valuation is made on the basis that the property is held in unencumbered freehold title and that no such matter exists that would materially affect its value.

5. Condition of the property

The property is assumed to have been in sound, tenantable condition consistent with its age and its continued occupation under the lease at the valuation date, and free of material defect requiring capital expenditure. The property was constructed recently and is understood to be in as-new condition.

6. Lease terms and outgoings

Lease terms and the outgoings position are taken from the managing agent's tenancy schedule and outgoings record as at the valuation date. The outgoings recovery position stated at section 5 is material to the assessment and this valuation is conditional upon it being correct.

7. Owners corporation

The property is a lot within a plan of subdivision. No owners corporation certificate has been obtained. This valuation is made on the basis that owners corporation fees are current, that no special levy has been struck or is proposed, that no material defect affects any common property, and that no litigation affects the scheme.

This summary forms part of, and must not be read independently from, the complete report.

2. Basis of value and the CGT event

2.1 The event and the date rule

CGT event	Transitional deemed disposal and reacquisition under Subdivision 112-E ITAA 1997
Date rule applied	A CGT asset held on 30 June 2027 is deemed to have been disposed of just before 1 July 2027 and reacquired on 1 July 2027 at its market value on that day.
Valuation date	30 June 2027
Date basis	Fixed by statute. The valuation date does not depend on any dealing with the asset and no evidence of a triggering event is required.
Statutory method	Market valuation. The primary method for determining the deemed consideration and the reset cost base. The apportioning method has not been adopted.

The CGT event determines the valuation date and the statutory rule by which that date is fixed. The valuation date is set by statute. It is not affected by the date of instruction, the date of this report, or any agreement between the parties, and it cannot be varied. This report does not express an opinion of value at any other date.

The transitional provisions split the gain on a CGT asset held across 1 July 2027 into two components. The notional gain accrued to that date is worked out under the law as it stood before 1 July 2027, and is deferred until a later realisation event. Growth after that date is worked out under the indexation rules that replace the 50% discount. The market value of the asset at that date is the boundary between the two components.

A Minister-determined apportioning method is available as an alternative to market valuation, by taxpayer election under sections 112-155(3) and 112-165(3). That election need not be made until the return is lodged for the income year in which the actual realisation event occurs. This report provides the market valuation input to that decision. It does not make the election, and does not advise on which method produces the better outcome.

Why the report cannot be signed early

A valuation at 30 June 2027 requires evidence of market conditions at that date. That evidence does not exist until the date has passed. Intake and assembly run April to June 2027; reports are dated, reviewed and signed from July 2027. Any report purporting to state market value at 30 June 2027 and signed before that date is not capable of being supported.

Note on this example report

Section 2.1 above is reproduced exactly as it will appear on an issued transitional valuation. The worked assessment in the balance of this report is fictional throughout. The property, its tenancy and every transaction relied upon have been created for this example, and the assessment carries a valuation date of 25 August 2026 rather than 30 June 2027. Structure, methodology and evidence standards are identical to an issued report.

2.2 Definition of market value

Market value has been assessed in accordance with the definition adopted by the International Valuation Standards Council and endorsed by the Australian Property Institute:

> *The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*

For Australian taxation purposes this is consistent with the test established in Spencer v The Commonwealth (1907) 5 CLR 418, the leading High Court authority on market value in Australia. That case holds that market value is the price that would be negotiated between a willing but not anxious vendor and a willing but not anxious purchaser, each fully acquainted with the property and its circumstances, and neither under compulsion to transact, as at the valuation date. A transaction that does not meet those conditions (a forced sale, a transfer between related parties, or a dealing not exposed to the market) is not evidence of market value and is excluded from the analysis. This report refers to that requirement as the market value test.

The assessment has been prepared having regard to the Australian Taxation Office's published guidance on market valuation for tax purposes, and is founded on objective, documented and verifiable data.

2.3 Basis of assessment

This valuation has been prepared on a desktop basis. No physical inspection of the property has been undertaken.

The physical attributes of the property (its area, configuration, construction and services) have been derived from records held by the managing agent and from publicly available sources, including the plan of subdivision and cadastral records, the planning property report, aerial and street-level imagery, and listing and marketing records. Each input and its source is recorded in the Provenance of Information at Appendix A.

The conclusion rests on the comparable sales and leasing transactions set out at sections 6 and 8. Six leasing transactions and six sales were identified, five of the leasing transactions and one of the sales within the same street as the subject. The evidence is of sufficient depth and proximity to support the assessment on a desktop basis.

2.4 Evidence and the valuation date

Evidence has been selected by reference to the valuation date, not the date of this report. Transactions dated at or before the valuation date constitute the direct evidence base, and the most recent such evidence has been given the greatest weight. No evidence relied upon in this report post-dates the valuation date. No benefit of hindsight has been applied.

2.5 Disclosure of referral arrangement

Leasing and management records relied upon in this report are held by the agency that manages the subject property and a number of the comparable properties. On an issued report, where an engagement is referred by a managing agent that agent receives a share of the fee payable. The referring party has no role in forming the opinion of value, is not consulted on it, and the valuer holds no interest in the property.

3. The property

Lettable area	210 sqm (GLA)*
Office component	24 sqm, air conditioned and carpeted
Site / lot area	Not stated. Refer plan of subdivision
Year built	Recently constructed, as-new condition

*** Refer Critical Conditions at section 1.1.**

3.1 Location

The property is situated in Ardenne Way, Dandenong South, within an established industrial estate in the City of Greater Dandenong in Melbourne's south-east. Surrounding development comprises small format office and warehouse units of similar era, scale and construction, the majority held in small lot subdivisions of the same character as the subject.

The precinct benefits from direct access to the arterial road network and sits within the Dandenong South industrial precinct, the principal industrial market in Melbourne's south-east.

Location and amenity

Factor	Assessment
Road accessibility	Direct access to the major road network. EastLink, the Princes Freeway and the South Gippsland Highway serve the precinct.
Public transport	Dandenong railway station serves the locality on the Pakenham and Cranbourne lines.
Melbourne CBD	Approximately 35 km north-west.
Port of Melbourne	Approximately 40 km north-west.
Logistics hubs	Dandenong South is the principal industrial precinct in Melbourne's south-east; the Hallam, Lyndhurst and Keysborough precincts adjoin.
Retail amenity	Local convenience retail within the precinct; Dandenong Plaza and the Dandenong central activity district approximately 5 km north.

3.2 Title particulars

Lot and plan	Lot 12 on Plan of Subdivision 999999
Ownership type	Freehold
Registered proprietor	Not searched
Encumbrances	Not searched. See critical condition 4 at section 1.1

Title particulars have been adopted from publicly available cadastral records. No title search has been undertaken.

3.3 Planning

Municipality	City of Greater Dandenong
Zone	Industrial 1 Zone (IN1Z)

Overlays	None identified affecting the subject land.
Permits	No outstanding planning applications identified at the date of this report.

The Industrial 1 Zone provides for manufacturing, warehouse and storage uses, together with office accommodation ancillary to the permitted use. The existing use is consistent with the zone and no planning constraint materially affecting value was identified.

3.4 Improvements

Asset class	Industrial warehouse. Small format office and warehouse unit
Lettable area	210 sqm (GLA), as recorded by the managing agent. Not verified by measurement or inspection.
Configuration	Office and warehouse unit comprising a 24 sqm air conditioned and carpeted office, clear span warehouse, roller shutter access, internal shower and kitchenette amenities.
Services	3-phase power connected.
Car parking	3 spaces.
Site works	Fully fenced perimeter.
Condition	Assumed sound and tenantable. Recently constructed and understood to be in as-new condition. Not inspected.

The unit presents as a modern small format office and warehouse of a type in consistent demand from owner-occupiers and small investors in this precinct. The 24 sqm office component, three-phase power, secure fenced perimeter and three allocated car spaces place it at the better end of the small format stock within the estate.

4. Tenancy details

The property is subject to a single lease at the valuation date. Terms below are taken from the managing agent's tenancy schedule as at that date.

Occupancy	WALE (by income)	Passing rent	Assessed market rent
100.0%	2.8 years	$35,070 p.a. net	$36,120 p.a. net

Harnwell Fabrication Pty Ltd

Premises	Whole building, 210 sqm
Commencement	11 June 2026
Expiry	10 June 2029
Term	3 years
Term remaining at valuation date	2.8 years
Passing rent	$35,070 p.a. net ($167/sqm)
Outgoings	Net. Tenant liable for outgoings. Refer section 5.
Car parking	3 bays, included in rent
Incentives outstanding	Nil recorded at the valuation date
Expiry within horizon	No. Expiry falls outside the twelve month horizon applied at section 10.2

The lease commenced approximately two and a half months prior to the valuation date. The rent agreed at commencement therefore constitutes contemporaneous evidence of market rent in its own right, and is analysed alongside the external leasing evidence at section 6.

5. Outgoings

The lease is structured on a net basis, with the tenant liable for outgoings and statutory charges. The recovery position has been assessed against the total outgoings applicable to the property to establish whether the whole of the outgoings burden is recovered from the tenant, or whether a shortfall is borne by the owner.

Where a shortfall arises it is a permanent reduction in the net income available to an owner and is deducted before the income is capitalised. It is not treated as an adjustment to the yield.

Outgoings position	Amount p.a.	Rate $/sqm
Total outgoings applicable to the property	$3,360	$16.00
Recovered from the tenant under the lease	$3,045	$14.50
Shortfall borne by the owner	$315	$1.50

Outgoings as recorded by the managing agent. A line item schedule has not been obtained; the totals above are adopted as advised and are subject to critical condition 6 at section 1.1.

5.1 Recovery position

A shortfall of $315 per annum arises between the outgoings applicable to the property and the amount recoverable from the tenant under the lease. That shortfall is carried into the capitalisation approach at section 10.2, where the net market income capitalised is the assessed net market rent grossed up for recovered outgoings and reduced by the total outgoings applicable.

Recoverability and the Retail Leases Act 2003 (Vic)

Where a lease is subject to the Retail Leases Act 2003 (Vic), the statutory recovery restrictions override the recovery provisions of the lease. Land tax is not recoverable from a tenant under a retail lease, and outgoings not disclosed in a compliant estimate and statement are likewise not recoverable. A lease drawn on net terms may therefore still produce a material outgoings shortfall in the hands of the owner.

The application of the Act turns on the use of the premises and the terms of the lease, not on the description given to the lease by the parties. Where the Act applies, the non-recoverable component is quantified and deducted before capitalisation, and the basis of that deduction is stated.

The subject premises are used for industrial warehouse purposes within an Industrial 1 Zone. On the information available the Retail Leases Act 2003 (Vic) is not considered to apply to this lease, and the shortfall identified above arises from the recovery provisions of the lease itself rather than from statutory restriction.

6. Rental evidence

The transactions below have been relied upon in assessing the net market rent of the subject as at 25 August 2026. Five of the six comparable transactions are within the same street.

Property	Commenced	Area	Rent pa (net)	Rate $/sqm	Distance	Grade
22 Ardenne Way, Dandenong South	Dec 2025	210 sqm	$35,700	$170	55 m	Similar
4 Ardenne Way, Dandenong South	Sep 2025	210 sqm	$34,860	$166	90 m	Similar
30 Ardenne Way, Dandenong South	Sep 2025	185 sqm	$30,895	$167	85 m	Similar
36 Ardenne Way, Dandenong South	Dec 2025	185 sqm	$33,115	$179	240 m	Similar
9 Ardenne Way, Dandenong South	Oct 2025	210 sqm	$31,920	$152	240 m	Inferior
2 Selwyn Court, Dandenong South	Jun 2026	210 sqm	$27,300	$130	380 m	Inferior
18 Ardenne Way (subject)	**Jun 2026**	**210 sqm**	**$35,070**	**$167**	**Subject**	**n/a**

Source: ElevateIQ evidence database, drawn from managing agent leasing records. Transactions recorded by the agency managing the subject except 2 Selwyn Court, recorded by an independent agency. Rents are stated net. Each transaction is analysed individually in an issued report; two of the six analyses are reproduced in this example.

22 Ardenne Way, Dandenong South VIC 3175

Property type	Industrial warehouse
Lettable area	210 sqm (GLA)
Net rental rate	$170/sqm pa
Total rent	$35,700 p.a. net
Commencement date	15 December 2025
Distance	55 m
Source	ElevateIQ evidence database, managing agent leasing record
Agency	Managing agent
Comparability. Overall: Similar | Location: Similar | Building improvements: Similar | On-site accessibility: Similar	

Unit of identical lettable area within the same street, of the same era and construction as the subject. Agreed eight months prior to the valuation date.

Conclusion. The closest evidence by size and location. Supports a rate at or marginally above the subject passing rent.

2 Selwyn Court, Dandenong South VIC 3175

Property type	Industrial warehouse
Lettable area	210 sqm (GLA)
Net rental rate	$130/sqm pa
Total rent	$27,300 p.a. net
Commencement date	26 June 2026
Car park	4 bays (included)
Distance	380 m
Source	ElevateIQ evidence database
Agency	Independent agency
Comparability. Overall: Inferior | Location: Inferior | Building improvements: Inferior | On-site accessibility: Inferior	

Identical lettable area and the most recent transaction in the evidence set, agreed two months prior to the valuation date. Graded inferior across all factors and achieving a rate materially below every other transaction recorded in the precinct.

Conclusion. The rate achieved sits 14% below the next lowest transaction and is not consistent with the balance of the evidence. It is excluded from the adopted range and treated as reflecting property-specific factors rather than the market rate for this stock.

7. Adopted market rent

Evidence range, similar transactions	$166/sqm pa to $179/sqm pa
Equivalent annual range on 210 sqm	$34,860 pa to $37,590 pa
Rate adopted	$172/sqm pa
Basis	Net face

Four transactions graded similar establish a range of $166/sqm to $179/sqm. The lower bound is set by 4 Ardenne Way, agreed twelve months before the valuation date, and the upper bound by 36 Ardenne Way, a 185 sqm unit carrying the size premium typical of the smallest stock in the estate. The two transactions closest to the subject in both size and date, being 22 Ardenne Way at $170/sqm and the subject's own lease at $167/sqm agreed in June 2026, sit in the middle of that range.

Two transactions graded inferior, at $152/sqm and $130/sqm, are excluded. The rate at 2 Selwyn Court sits materially below all other evidence in the precinct and is not considered representative.

A rate of $172/sqm net face is adopted. It sits above the same-street transactions agreed during late 2025, reflecting the passage of time to the valuation date, and below the rate achieved on the smallest units, reflecting the size of the subject. The 24 sqm office component, three-phase power and secure fenced perimeter support a rate at the upper half of the range.

Market incentives

We note market incentives across transactions of comparable properties range between 5% and 15% net. Typically for lease renewals incentives are not provided and for the smaller warehouse stock given the high tenant demand incentive rates are at the lower end of the range. Given the property is leased with a lease expiry falling outside of the next 12 months we have not applied a market incentive.

ASSESSED NET MARKET RENT

210 sqm × $172/sqm pa, net face

$36,120 pa

7.1 Passing rent against market

Passing rent of $167/sqm sits approximately 3% below the assessed net market rent of $172/sqm at the valuation date. The lease had 2.8 years remaining.

The capitalisation approach at section 10.2 capitalises the net market income. The shortfall between passing and market rent over the remaining term is therefore deducted explicitly as a reversion adjustment below the line, rather than being absorbed into the adopted yield.

8. Sales evidence

The transactions below have been relied upon in assessing market value as at 25 August 2026.

Address	Sale date	Price	Area	Rate/sqm	Grade
6 Ardenne Way, Dandenong South	Jun 2026	$698,000	185 sqm	$3,773	Similar
3/22 Hensley Court, Dandenong South	Sep 2025	$985,000	310 sqm	$3,177	Similar
12 Kellick Road, Hallam	Dec 2025	$1,135,000	355 sqm	$3,197	Inferior
44-46 Barrowfield Road, Hallam	Feb 2026	$6,600,000	2,240 sqm	$2,946	Inferior
7-9 Barrowfield Road, Hallam	Mar 2026	$4,170,000	1,680 sqm	$2,482	Inferior
31 Selwyn Court, Dandenong South	Dec 2025	$428,450	205 sqm	$2,090	Excluded
18 Ardenne Way (subject)	**25 Aug 2026**	**$760,000**	**210 sqm**	**$3,620**	**Subject**

Sale dates are dates of exchange. Sources: ElevateIQ evidence database (6 Ardenne Way); licensed settled sales data (all others). Each transaction is analysed individually in an issued report; two of the six analyses are reproduced in this example.

8.1 Assessed market rent and implied market yield

A market rental rate has been assessed for each transaction on the same evidence base and on the same net face basis as the subject at section 7. Applying that rate to the lettable area of each property produces an assessed market income, and dividing that income by the sale price produces an implied market yield.

Analysing every transaction on this basis, rather than on passing income alone, normalises for the individual letting position of each property and produces a yield directly applicable to the market rent adopted for the subject. It also allows transactions sold with vacant possession to contribute to the yield evidence, which materially broadens the evidence base in a precinct where small investment sales with disclosed income are limited.

Property	Price	Area	Mkt rent $/sqm	Mkt income pa	Implied mkt yield
6 Ardenne Way	$698,000	185 sqm	$172	$31,820	4.56%
12 Kellick Road	$1,135,000	355 sqm	$151	$53,605	4.72%
3/22 Hensley Court	$985,000	310 sqm	$156	$48,360	4.91%
44-46 Barrowfield Road	$6,600,000	2,240 sqm	$128	$286,720	4.34%
7-9 Barrowfield Road	$4,170,000	1,680 sqm	$134	$225,120	5.40%
31 Selwyn Court	$428,450	205 sqm	$167	$34,235	7.99%
18 Ardenne Way (subject)	**$760,000**	**210 sqm**	**$172**	**$36,120**	**4.75%**

The three transactions of small format stock most comparable to the subject, being 6 Ardenne Way, Kellick Road and Hensley Court, produce implied market yields in a tight band of 4.56% to 4.91%. The two large format transactions sit either side of that band and reflect a different buyer pool.

31 Selwyn Court produces an implied market yield of 7.99%, materially outside the range established by every other transaction, on a rate per square metre 45% below a comparable precinct sale exchanged six months

later. The transaction does not satisfy the market value test described at section 2.2 and is excluded from the analysis. It is disclosed here for completeness.

6 Ardenne Way, Dandenong South VIC 3175

Sale date	4 June 2026 (exchange)
Sale price	$698,000
Lettable area	185 sqm (GLA)
Rate per sqm	$3,773/sqm
Assessed market rent	$172/sqm pa · $31,820 pa
Implied market yield	4.56%
Distance	260 m
Source	ElevateIQ evidence database, settled sale
Agency	Managing agent

Small format office and warehouse unit within the same street as the subject, of the same era and construction.

Conclusion. The single most applicable transaction available: same street, same stock type, exchanged under three months before the valuation date. The rate of $3,773/sqm carries a size premium and a modest discount is appropriate for the larger subject. This transaction is the primary determinant of the adopted rate.

31 Selwyn Court, Dandenong South VIC 3175 (excluded)

Sale date	11 December 2025 (exchange)
Sale price	$428,450
Lettable area	205 sqm (GLA)
Land area	265 sqm
Rate per sqm	$2,090/sqm building · $1,617/sqm land
Assessed market rent	$167/sqm pa · $34,235 pa
Implied market yield	7.99%
Distance	300 m
Source	Licensed sales data provider, settled sale

Excluded. The consideration of $428,450 is not a round figure and produces a rate per square metre 45% below a comparable transaction in the same precinct exchanged six months later, and an implied market yield 2.6 percentage points above every other transaction analysed. The characteristics of the consideration are consistent with a part-interest transfer or a transaction between related parties rather than a sale after proper marketing between a willing but not anxious vendor and purchaser. It does not satisfy the market value test at section 2.2 and has been excluded. It is disclosed so that a reviewing party can see the full transaction record for the precinct and the basis on which it was set aside.

The sales evidence in this example is fictional and no Victorian Property Sales Data is reproduced. On an issued report the statutory copyright and disclaimer notice of the State of Victoria appears at this point, together with attribution to the licensed data provider.

9. Valuation methodology and approach

9.1 Methodology

Two approaches are recognised for assets of this class. Direct comparison analyses transactions of comparable property on a rate per square metre of lettable area. Capitalisation of net market income converts the assessed sustainable income into a capital sum at a yield derived from transactional evidence.

The approach carrying primary weight is determined by the asset and its tenure at the valuation date, not by preference:

- **Owner-occupier stock.** Strata and small freehold industrial, showroom and suburban office assets, whether vacant or subject to a short lease, transact on a rate per square metre between owner-occupiers and small investors. Direct comparison carries primary weight and capitalisation is applied as a cross-check.
- **Investment stock.** Assets held for income (multi-tenanted property, retail centres, and single-tenant assets with substantial term remaining) transact on yield. Capitalisation of net market income carries primary weight and direct comparison is applied as a cross-check.

Both approaches are worked in every report. The distinction is which is adopted as the primary indicator and which is treated as corroboration. Where the two diverge materially, the divergence is explained and reconciled at section 10.3 rather than averaged.

The subject is a 210 sqm small format industrial unit with 2.8 years of term remaining, of a type in consistent demand from owner-occupiers. It sits within the owner-occupier segment. Direct comparison is therefore adopted as the primary approach and capitalisation as the secondary.

9.2 Approaches applied

Primary approach	Direct comparison, on a rate per square metre of lettable area. This is the basis on which owner-occupier and small investor purchasers transact in this market and asset class.
Secondary approach	Capitalisation of net market income. The property was income producing at the valuation date. Applied as a cross-check, supported by six leasing transactions and by implied market yields derived from the sales evidence.

9.3 Direct comparison: rate adopted

Each transaction graded similar or inferior on small format stock has been analysed on a rate per square metre of lettable area and adjusted for its comparability against the subject to produce a rate indicated for the subject.

Property	Area	Sale price	Analysed rate	Overall grade	Rate indicated for subject
6 Ardenne Way	185 sqm	$698,000	$3,773/sqm	Superior	$3,650/sqm
3/22 Hensley Court	310 sqm	$985,000	$3,177/sqm	Inferior	$3,600/sqm
12 Kellick Road	355 sqm	$1,135,000	$3,197/sqm	Inferior	$3,580/sqm
18 Ardenne Way (adopted)	**210 sqm**	**$760,000**	**$3,620/sqm**	**Subject**	**$3,620/sqm**

Rates indicated for the subject reflect the analysed rate of each transaction adjusted for date, location, lettable area and improvements as set out at section 8. Large format transactions are excluded from this analysis.

Evidence range, analysed	$3,197/sqm to $3,773/sqm
Range indicated for subject	$3,580/sqm to $3,650/sqm
Rate adopted	$3,620/sqm
Lettable area	210 sqm (GLA)
Value indicated	$760,000

The subject at 210 sqm sits between 6 Ardenne Way and the balance of the evidence in size, and is closest in every other respect to 6 Ardenne Way. A rate of $3,620/sqm is adopted, a modest discount to that transaction reflecting the 25 sqm difference in area and the size premium evident in the smallest units within the estate, and above the Hensley Court and Kellick Road transactions reflecting their larger areas, and in the case of Hensley Court its distance in time from the valuation date.

The two large format transactions at $2,482/sqm and $2,946/sqm are not included in the range. They transact to a different buyer pool and their rate per square metre is not applicable to small format stock.

9.4 Capitalisation: market yield adopted

Implied market yield range, small format	4.56% to 4.91%
Yield adopted	4.75%
Net market income	$35,805 p.a.

Implied market yields derived at section 8.1 across the three small format transactions range from 4.56% to 4.91%. The lower bound reflects 6 Ardenne Way, the closest transaction by location, date and stock type. The upper bound reflects Hensley Court, exchanged twelve months before the valuation date.

A yield of 4.75% is adopted, toward the middle of that range, reflecting as-new construction, a net lease with 2.8 years of term remaining and a well specified unit with a 24 sqm office component, three-phase power and secure fenced perimeter, offset by the small lot size and single tenancy risk. The shortfall between passing and market rent is deducted separately below the line at section 10.2 and is not reflected in the adopted yield.

10. Value appraisal

10.1 Direct comparison

DIRECT COMPARISON: PRIMARY APPROACH

210 sqm × $3,620/sqm of lettable area

$760,000

10.2 Capitalisation of net market income

The assessed net market rent is grossed up for outgoings recovered from the tenant and reduced by the total outgoings applicable to the property, producing the net market income capitalised. That income is capitalised at the market yield adopted at section 9.4 to produce the value above the line. Adjustments are then made below the line for each matter a purchaser would take into account at the valuation date but which is not reflected in the market rent or the market yield.

Net market income

Income build-up	Rate $/sqm	Amount p.a.
Lettable area, 210 sqm		
Net market rent	$172	$36,120
Add recovered outgoings	$14.50	$3,045
Gross market rent	$186.50	$39,165
Less outgoings applicable to the property	$16.00	($3,360)
Net market income	**$170.50**	**$35,805**

The deduction of total outgoings against recovered outgoings captures any shortfall borne by the owner, including where statutory restriction under the Retail Leases Act 2003 (Vic) prevents recovery of land tax or undisclosed outgoings. Refer section 5.

Capitalisation Approach

Capitalisation build-up	Amount
Net market income	$35,805 pa
Capitalisation rate adopted	4.75%
Value above the line	$753,789
Reversion, passing rent to market rent	($2,694)
Outstanding incentives	Nil
Vacant space: letting up	Nil
Vacant space: incentives	Nil
Vacant space: leasing fees	Nil
Imminent expiry (12 month horizon): downtime	Nil
Imminent expiry (12 month horizon): incentives	Nil

Capitalisation build-up		Amount
Imminent expiry (12 month horizon): leasing fees		Nil
Imminent expiry (12 month horizon): refurbishment		Nil
Capital expenditure		Nil
Value below the line		$751,095
Adopted, capitalisation approach		**$751,000**
Resultant $/sqm	**Passing yield**	**Market yield**
$3,576/sqm	4.67%	4.81%

Basis of the adjustments

- **Reversion, passing rent to market rent: $2,694.** Passing rent of $35,070 pa sits $1,050 pa below the assessed net market rent of $36,120 pa. Over the 2.8 years of term remaining the shortfall totals $2,940, discounted to present value at the adopted capitalisation rate.
- **Outstanding incentives: nil.** No incentive was recorded as outstanding under the lease at the valuation date.
- **Vacant space allowances: nil.** The property was fully leased at the valuation date. No letting up period, incentive or leasing fee arises in respect of vacant space.
- **Imminent expiry allowances: nil.** An expiry horizon of twelve months from the valuation date is applied. Where a lease expires within that horizon, allowances are made for downtime at gross rent over the expected vacancy period, for an incentive at the market incentive rate applied to market rent over the market lease term, for leasing fees applied to gross rent, and for any refurbishment required, assessed as a rate per square metre of lettable area. The subject lease expires 10 June 2029, outside the horizon, and no allowance arises.
- **Capital expenditure: nil.** No capital expenditure requirement was identified from the records and imagery relied upon. The property is recently constructed. It has not been inspected; see condition 5 at section 1.1.

10.3 Reconciliation and adopted value

Approach	Value indicated	Weight	Evidence basis
Direct comparison at $3,620/sqm × 210 sqm	$760,000	Primary	Three directly comparable transactions, one in the same street exchanged within three months of the valuation date
Capitalisation of $35,805 @ 4.75%, adjusted	$751,000	Secondary	Six leasing transactions support the rent, five in the same street; implied market yields derived from the sales evidence

The two approaches indicate values within approximately 1.2% of one another. Direct comparison is adopted as the primary indicator, resting on a same-street transaction of the same stock type exchanged under three months before the valuation date, with the capitalisation result treated as corroboration. The convergence of the two, from independent evidence sets, supports the conclusion.

VALUE ADOPTED

$760,000

Seven Hundred and Sixty Thousand Dollars, exclusive of GST

The adopted value reflects a rate of $3,620/sqm of lettable area, an implied market yield of 4.75% on the assessed net market rent, and an analysed passing yield of 4.61% on the rent payable at the valuation date. Each of those measures sits within the range indicated by the evidence.

11. Valuation certification

ElevateIQ Group Pty Ltd has undertaken a valuation of 18 Ardenne Way, Dandenong South VIC 3175.

This valuation has been prepared on a desktop basis, as described at section 2.3.

Subject to the assumptions and limiting conditions contained in this report, we are of the opinion that the market value of the 100% freehold interest, subject to the existing lease in the subject property, as at 25 August 2026, is:

MARKET VALUE AS AT 25 AUGUST 2026

$760,000

Seven Hundred and Sixty Thousand Dollars, exclusive of GST

Qualification and independence

- The valuer is a member of the Australian Property Institute, holds Certified Practising Valuer status, and is qualified to undertake a valuation of this property.
- The valuer has had regard to the Professional Practice requirements of the Australian Property Institute and to the market valuation guidance published by the Australian Taxation Office.
- The valuer has no pecuniary interest in the property, past, present or prospective, and the opinion expressed is free of bias in that regard.
- The valuer has considered the highest and best use of the property, being the use that is physically possible, legally permissible and financially feasible.

Example report: not for reliance

This report is issued to demonstrate report format, methodology and evidence depth. The property, the tenancy and all sales and leasing evidence are fictional. It has not been prepared under instruction and no party may rely upon it. An issued transitional valuation will carry a valuation date of 30 June 2027, will assess a real property against real evidence, will name the relying parties, and will be signed by the reviewing Certified Practising Valuer.

Valuer Name

AAPI, Certified Practising Valuer

VIC CPV. Registration number shown on issued reports

Valuer, ElevateIQ Group Pty Ltd

ElevateIQ Group Pty Ltd · ABN [to be inserted] · Job ref EXAMPLE-CGT-0001 · Report dated 27 August 2026

Liability limited by a scheme approved under Professional Standards Legislation.

Appendix A: Provenance of information

Every input relied upon in this assessment is recorded below with its source and status.

Input	Source	Status
Lot and plan	Publicly available cadastral records. No title search undertaken.	Unverified
Interest valued: 100% freehold	Adopted as instructed. Not confirmed against title.	Unverified
Registered proprietor	Not searched	Not obtained
Encumbrances	Not searched	Not obtained
Lettable area (210 sqm GLA)	Managing agent property record	As advised
Office component (24 sqm)	Managing agent property record and marketing material	As advised
Zoning and overlays	Planning property report. Industrial 1 Zone, City of Greater Dandenong	Verified
Lease terms, subject property	Managing agent's tenancy schedule as at valuation date	Verified
Outgoings, total and recovered	Managing agent outgoings record. Line item schedule not obtained.	As advised
Physical condition and configuration	Not inspected. Derived from records, marketing material and publicly available imagery	Estimated
Leasing evidence: 22, 4, 30, 36, 9 Ardenne Way	ElevateIQ evidence database, managing agent leasing records (managing agent of the subject)	Verified
Leasing evidence: 2 Selwyn Court	ElevateIQ evidence database (independent agency)	Verified
Comparable sale: 6 Ardenne Way	ElevateIQ evidence database, settled sale	Verified
Comparable sales: Hensley Court, Barrowfield Road, Kellick Road, Selwyn Court	Licensed sales data provider, settled sales	Verified
Assessed market rents, comparable sales	Valuer assessment from section 6 leasing evidence	Assessed
Comparable property attributes	Listing records, imagery and agent advice. Not inspected	Estimated
Site area	Not obtained	Not obtained
Owners corporation particulars	Not obtained	Not obtained

This section is provided so that a reviewing party, including the Commissioner of Taxation, can trace each input to its source and assess the weight properly attaching to it.

Appendix B: Assumptions and limiting conditions

Conditions applying to this valuation

An issued report sets out twelve assumptions and limiting conditions in full: basis of assessment (desktop valuation); title, boundaries, interest and encumbrances; areas; outgoings and recoverability; information supplied to us; valuation date; proximity of evidence to the valuation date; contamination and environmental matters; owners corporation matters; status of the report; the fact that the report is not taxation or financial advice; and the statutory notice applying to Victorian property sales data. They have been abridged in this example so that it remains a short read. The critical conditions at section 1.1, which are specific to the property and integral to the opinion of value, are reproduced in full.

ElevateIQ

The valuation desk for independent commercial agencies.

Independent valuations for the 1 July 2027 capital gains tax transition, signed by AAPI Certified Practising Valuers. Prepared from agency leasing and transaction records that do not appear on listing portals.

CGT transitional valuations
Statutory value appraisals
SMSF appraisals

ElevateIQ Group Pty Ltd
elevateiq.com.au