



A U S T R A L I A N

V A L U A T I O N

O F F I C E

BRIGHTON ARMY CAMP

MIDLAND HIGHWAY

BRIGHTON

TASMANIA 7030

We Value Australia



Valuation Report

BRIGHTON ARMY CAMP

MIDLAND HIGHWAY

BRIGHTON

TASMANIA 7030

as at 19 August 2002

Prepared By

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Customer Ref: Email (McLeod 13/08/02)



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Report Summary

Instructions

The Australian Valuation Office has been instructed by Kirsten McLeod to provide a market valuation of the subject property.

Date of Valuation

19 August 2002

Property

Brighton Army Camp comprises a former Army Training Complex located approximately 25 kilometres northwest of the Hobart CBD. The site has a total area of approximately 61.66 hectares and includes 65 buildings of varying age, style and utility.

Valuation

The market value of the property as at the date of valuation is considered to be TWO HUNDRED THOUSAND DOLLARS (\$200,000), subject to those conditions detailed in this report.

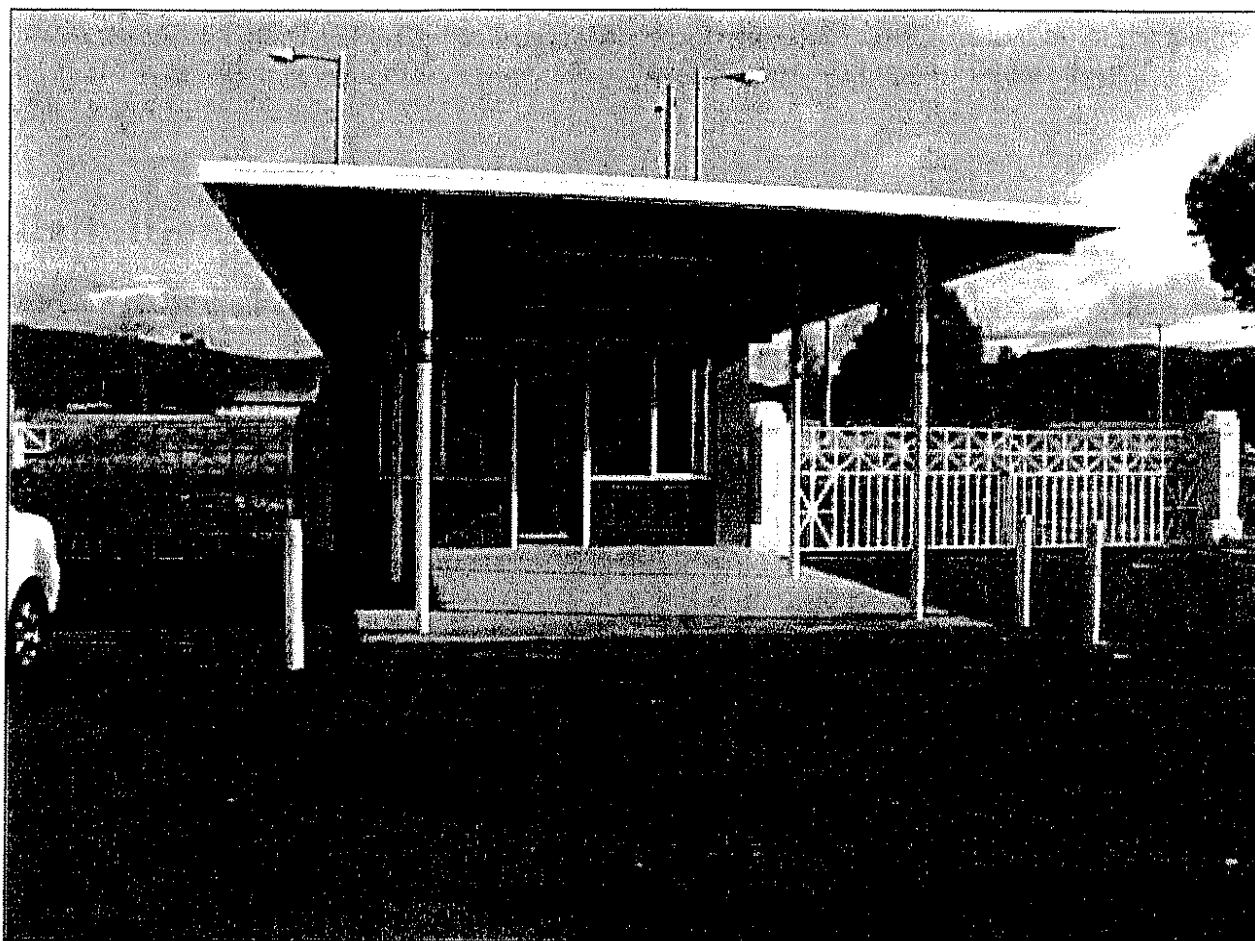
Disclaimer

This valuation is for the exclusive use of the client to whom it is addressed and is not to be used by any other party for any purpose.

A handwritten signature in black ink, appearing to read 'John Armatys', is written over a horizontal line.

John Armatys A.A.P.I. (Val)
Senior Valuer
Australian Valuation Office

21/08/2002



**Guard House
Brighton Army Camp
Midland Highway Brighton**



Valuation Report

Instructions

The Australian Valuation Office has been instructed to provide a market valuation of the subject property in accordance with the correspondence from Kirsten McLeod (reference Email (McLeod 13/08/02), dated 14/08/02).

Definition of Market Value

As defined by the International Assets Valuation Standards Committee in February 1993:

"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently, and without compulsion."

Date of Valuation

19 August 2002

Date of Inspection

19 August 2002

Legal Description

That piece of land being as described in Certificate of Title Volume 107145 Folio 1.

A copy of the Certificate of Title is attached. If legal advice as to the effect of encumbrances or any other matter contained therein is at variance with the facts or opinions set out in this report and may materially affect the value we reserve the right to reconsider the valuation.

Registered Proprietor

The Commonwealth of Australia.



Encumbrances

A storm water drainage easement exists along the northern boundary of the area excised to the Defence Housing Authority's Dollery Court development located in the southeastern corner of the subject property.

Site Area

61.66 hectares

Dimensions

The northern side boundary has a total length of 1,550 metres, the western or rear boundary of 452 metres fronting onto Cartwright Street, the southern boundary of 1,351 metres (in two bearings) and a frontage to the Midland Highway of 310 metres.

Zoning/Authority

The subject property now has dual zonings under the Brighton Planning Scheme Number 1 of 1992. The western portion of approximately 28.03 hectares is zoned Rural Residential while the eastern section fronting onto the Midland Highway of approximately 33.63 hectares is zoned Urban Residential. (Note these areas were derived from the Brighton Council's GIS Land System).

In 1996, as part of the neighbouring Glen Lea Estate rezoning application, The Resource Planning and Development Commission identified the need to prepare an overall Structure Plan for the Brighton – Pontville Corridor. A report was subsequently prepared by the Brighton Council and provided an overview of the land use, physical resources and planning issues within the general area.

The main issues identified in relation to the Brighton Army camp were "A significant portion of the land would be suitable for urban residential densities. Land to the western half may have value to the racing complex. Cultural heritage values of the site must be recognised (especially the front ceremonial fences, guardhouse and open avenues of tree plantings) and protected if possible. Traffic links with adjoining land must be considered".

Mr. Graham Corney of the Tasmanian Heritage Council has confirmed the hospital, guardhouse etc have been nominated for registration. Once registered legally any owner must seek their approval for any redevelopment of the buildings. At the same time an owner is quite at liberty to fence off the buildings and let them literally "fall apart". The Tasmanian Heritage Council's power is rather limited. Effectively they only have power to act where an owner deliberately causes to damage to the building that hastens its demise.



Statutory Values

Statutory valuations prepared by the Office of Valuer General for rating and taxing purposes effective from 1/8/99 are: -

Capital Value	\$ 2,400,000
Land Value	\$ 370,000
Assessed Annual Value	\$ 98,000

Location

The Brighton Army Camp is located approximately 25 kilometres north west of the Hobart CBD and fronts onto the Midland Highway which is part of the State's main north – south highway.

Australian Bureau of Statistics figures from the August 2001 Census show that there were 12,542 people living within the Brighton Municipality which was only a 0.57% increase of the 1996 figures and a 7.2% increase on the 1991 figures. Historically the Brighton Municipality was a small rural community with a few small shops servicing the passing traffic on the Midlands Highway.

In the 1970's the State Housing Department embarked on what was to be their last major broad acre housing development in the Bridgewater/ Gagebrook areas. More recent developments have generally been rural residential subdivisions with a lesser number of conventional urban residential subdivisions.

Roads and Access

The subject property has sealed roads to its front and southern boundaries and access to the roughly formed Cartwright Street at the rear. From discussions with the Brighton Council it is apparent that any future subdivisional approval of the Brighton Army Camp Site will be conditional on the landowner undertaking extensive upgrading of Cartwright Street. Depending on the size and scope of the subdivision application the Council could potentially require the upgrading of a southern access point off Butler Street. This will in turn trigger the Council to also insist that the junction of Midland Highway and Butler Street be upgraded as well.

In the late 1980's plans were drawn up to by-pass the existing Brighton – Pontville section of the Midland Highway with the compulsory acquisitions of a couple of properties occurring at that time. The initial plan was for the by-pass to be completed within the ten years. At the time of writing this plan is no nearer to becoming a reality and in fact is still on the ten year plan.

Internally the Camp has a well laid out bitumen road system around the perimeter of the area containing the majority of the buildings. The proposed Conservation Plan requires that the names of these roads be retained in any future development.



Services and Amenities

The Brighton Army Camp has an extensive reticulation system for power, sewerage, storm water and water. The condition and standard of these services is an unknown, and accordingly their utility in any future use of the property is uncertain. It is interesting to note that the local real estate agents that were spoken to all made particular mention of the unknown state of the sewerage system. When pressed on this issue they all stated that this was "local rumour" and probably couldn't be actually substantiated with factual evidence.

Community, shopping, primary school and other service industry facilities are available close by with local shops within 1 kilometre and more extensive supermarket, library, health clinic facilities and major takeaway food outlets located approximately 3 kilometres away at Bridgewater, Cove Hill Fair Shopping Complex and the smaller Greenpoint Shopping Centre. The general Brighton area is now part of a regular bus service operated by Metro Tasmania.

Description of Land

The Brighton Army campsite is generally flat with some undulations towards the northern boundary from where the land slopes gently down to the Glen Lea Estate. Soils appear to light sandy clay loam with no obvious indication of any major subsurface stone which could potentially increase development costs.

The areas that have not been developed with buildings and/or hardstand have been set-aside as playing fields, parade ground and open pasture. It is noted from the report titled "Brighton Camp Planning Report" written by Inspiring Place Pty Ltd, that there is mention of the existence of the endangered roadside wallaby grass, which is listed in the Commonwealth Endangered Species protection Act 1992. The report also highlights that the avenues of trees have to be retained as well.

Description of Improvements

These comprise an extensive array of structures originally designed to provide barracks, offices, lecture rooms, stores, workshops, kitchen/dining area, officer's and NCOs mess, church, ablution blocks, garages etc. The majority of these buildings were built in the late 1930's and early 1940's and constructed with vertical timber board cladding, corrugated galvanised iron roofs and timber window frames. Most of the buildings have reduced utility as they were originally designed and used as training facilities for Reserves and Cadets.

Virtually all the buildings were re-roofed with colorbond and aluminium window frames installed circa 1996. At the time of inspection vandals had obviously had a "field day" with all buildings having had their windows broken, doors forced, light fittings ripped from their mountings, holes kicked in the internal wall linings, taps, hot water cylinders and electrical components removed. Given the current zonings and the condition of the buildings their added value to the site is now quite minimal. This problem is further compounded by the fact that the previously mentioned "Brighton Camp Planning Report" states that a total of 24 buildings



contain asbestos in one form or another. Despite all this there are still a number of buildings that could be well suited for use as shacks or relocation as workshops, garages etc.

In total there are approximately 65 substantial buildings on the complex; the principal ones being: -

Building 301 - HQ Building/ Camp Hospital (listed under the proposed Conservation Plan)

A large weatherboard clad structure of approximately 925 square metres, providing offices, meeting rooms and basic facilities. The building is in fair condition with the external cladding requiring repainting, most of the windows are now broken, some doors forced and hot water cylinders removed.

Building 408 – Soldiers Club

A large weatherboard and vertical board clad structure with corrugated iron roof with a total area of approximately 607 square metres. The building is in only fair condition both inside and out. Again it has been the target of vandals.

Building 409 – Theatre

A high clearance structure of approximately 608 square metres clad with weatherboard and asbestos cement sheet. The building was re-roofed in about 1996, but is generally in poor overall condition.

Building 434 Officers Mess

An original painted vertical board clad structure of approximately 519 square metres with mess, bar and accommodation facilities. The building is in poor condition, again being subjected to recent vandalism.

Building 743 – Kitchen

A large brick, weatherboard and vertical board clad structure of approximately 960 square metres, which was updated and extended in the 1950's. The majority of the structure is in good condition and appears to have fared the best out of the vandalism, only suffering broken windows.

Other Improvements

These consist of extensive services reticulation as previously mentioned, a network of bitumen and gravel roads, perimeter fencing, vehicle inspection pits, unloading facilities, storage tanks and security lighting system. The majority of these are in fair condition and have the potential to add some value in any future development of the property.



Contamination

A visual site inspection has revealed signs of some obvious pollution or contamination. The "Brighton Camp Planning Report" mentions several areas of concern, these being: -

Firing Range – a small bore firing range was located beyond the western end of Menim Road. The report indicates that the pile of dirt behind the targets would be contaminated with lead and potentially the topsoil within the range area as well.

Ammunition Storage Sites – two small buildings located off the north of Menim Road and behind Building 704 have been identified as possibly having had live small arm ammunition inadvertently dropped on the site.

Buildings – a total of 24 buildings were found to still contain asbestos typically being in wall and ceiling linings. While the buildings remain unchanged the asbestos can be handled appropriately. Considerable costs will be incurred if these buildings are either redeveloped or sold for removal.

On-site Landfill Tip – For many years the Army maintained a landfill site on the southwest fringe of building area. The report states that debris containing asbestos, empty drums; possible ashes from the on-site incinerator were known to be dumped at this location. When the tip was closed evidently some cleaning up was undertaken and remaining material covered, but at this stage the extent and level of contamination is unknown.

Fuel Storage and Underground Tanks – According to the report at least two underground and one overhead tank were located on the site. The underground tanks were decommissioned in an acceptable way by filling with concrete. At this stage it appears that soil tests haven't been undertaken.

Mechanical Maintenance Facilities and Truck Washing Areas – were identified as being possible sources of contamination.

Antenna Field - located in the western section of the site where a copper-earthing mat was placed at the base of each antenna. The report indicates that some of these copper mats remain insitu.

General Comment

The subject property was acquired by Defence shortly after the declaration of World War II and subsequently developed as an Army training facility. It appears to have had reasonable usage until roughly the last ten years when the frequency for use by Reserves and Cadets started to wane. In its current configuration it would appear to lack some of the elements of a modern training facility and would have required regular ongoing maintenance. These factors being further compounded by the rationalisation of defence facilities and the urban sprawl encroaching on its boundaries.



Highest and Best Use

Given the property's central location and the strategic direction mapped out for land use within the Brighton Municipality it is now only a matter of time before the site is redeveloped for residential usage. The property is bounded by urban residential development at the southeast, low density rural residential to the north and west and a horse training facility to the south. The Brighton Councils Planning Scheme now allows for development inline with those mentioned above. From discussions with the Council's Planning Section it is quite obvious that they are very keen to promote the use of their horse racing facility, with proposed land usages surrounding the track further encouraging this aim.

Despite this the development of the land is not likely to be viable for some years as a ready supply of subdivided lots currently exists in the area and the "absorption rate" has stagnated especially with the introduction of the GST. This is particularly the case with urban residential land where a number of developers are selling lots off at or below cost as they attempt to stave off their financiers.

The "Brighton Camp Planning Report" also highlights other potential alternative uses such as Retirement Home Nursing Homes etc. Whilst not totally ruling such uses out there are a number of other nearby Councils and other groups who are also actively seeking these facilities. One of the most active is the Lachlan River Community Group at New Norfolk (refer to Sales Evidence for more detail).

The Brighton Army Camp poses a number of interesting problems for potential purchasers. While issues such as heritage considerations, contamination, endangered grass species, and the prevailing market condition could be handled in isolation. It is felt that the combination of all these factors will prove to be too hard for a lot of potential purchasers, with many simply walking away.

Market Overview

The residential real estate market particularly around Hobart is currently experience a high, with market conditions best described as a "sellers market". The best examples of this is the lack of properties being advertised and the number of agents who advertising for listings. To date the full effect of this has not flowed through to sales of vacant land.

Brighton has been the traditional home of the "blue collar" worker, although agents are now reporting strong interest in quality established over the \$200,000 barrier. Similarly with improved public transport and better roads Brighton is now easily within acceptable commuting distance of Hobart.

In the Glen Lea Estate area directly to the north of the Brighton Army Camp there are a number of new subdivisions on the market and at least two more approved by the Brighton Council. Of these two recently approved, the Council has invoked the previously mentioned "horse racing industry" provision for a few lots that adjoin the Brighton Race Course. In keeping with this the, local real estate agents working in the Brighton area claim that there is currently a strong demand for larger rural residential lots up to 10 hectares. To date the developers appear to have



shied away from this simply on pure economic grounds. Quite obviously they can maximise their return by developing 1-hectare lots.

Valuation Approach

In undertaking this valuation we have sought sales of similar parcels of land with only a minor element added for the residual value of the improvements that could be either sold for removal or utilised in any redevelopment of the site.

Of the identified sales two stand out, that of the Old Royal Derwent Complex at New Norfolk and the other an adjoining parcel of land on the northern boundary of the Brighton Army Camp (refer to Appendix B Sales Evidence)

Valuation

As at 19 August 2002, the market value of the subject property known as Brighton Army Camp, Midland Highway, Brighton, is considered to be TWO HUNDRED THOUSAND DOLLARS (\$200,000).

The above market value is subject to the specific instructions and assumptions detailed in this report and on the basis of highest and best use.

Proviso

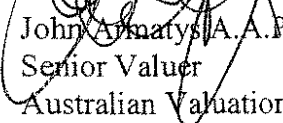
This valuation is made as at the date of valuation and is not to be used after 6 months and not if there are any material or economic changes meanwhile. In either event, it should be referred back to the Australian Valuation Office for review.

Disclaimer

This valuation is for the exclusive use of the client to whom it is addressed and is not to be used by any other party for any purpose.

Neither the whole nor any part of this valuation report or any reference thereto may be included in any published document, circular or statement, nor published in part nor in full in any way without written approval of the Australian Valuation Office of the form and context in which it will appear.

Notwithstanding the foregoing, the client agrees that in the event that it does communicate to a third party the whole or any part of this valuation, it shall also communicate to the third party the full terms as stated under this disclaimer and further agrees to indemnify the Australian Valuation Office in the event of any failure to do so.


John Armatys A.A.P.I. (Val)
Senior Valuer
Australian Valuation Office
21/08/2002



Appendix A

Certificate of Title



RESULT OF SEARCH
RECORDER OF TITLES, TASMANIA
Issued pursuant to the Land Titles Act 1980

SEARCH OF TORRENS TITLE

VOLUME	FOLIO
107145	1
EDITION	DATE OF ISSUE
3	30-Apr-1997

SEARCH DATE : 22-Aug-2002
SEARCH TIME : 10.21 am

DESCRIPTION OF LAND

Town of BRIGHTON
Lot 1 on Diagram 107145
Derivation : Part of 241 Acres Gtd to T Salmon
Prior CT 54281/1

SCHEDULE 1

95185, 4602/3 C.T. & A111409 THE COMMONWEALTH OF AUSTRALIA

SCHEDULE 2

Reservations and conditions in the Crown Grant if any
B553903 BENEFITING EASEMENT set forth in Instrument
B667881 BURDENING EASEMENT: Right of Drainage [appurtenant to lot
1 on D104387) over the Drainage Easement 6.50 wide on
D107145.
B989005 BENEFITTING EASEMENT: Right of drainage over the Drainage
Easement 4.57 wide on D107145 Registered 11-Dec-1996 at
12:00 pm (MF:2458i/316)
SP109172 BENEFITTING EASEMENT: Right of Drainage over the drainage
easement 4.57 wide marked K.L. on Diagram No.109173.

UNREGISTERED DEALINGS AND NOTATIONS

No unregistered dealings or other notations
END OF SEARCH.

Warning: The information appearing under Unregistered Dealings and Notations has not been formally recorded in the Register.

Putting it all together.

Owner:

Title Reference: F.R. 54261-1

Grantee:

PLAN OF TITLE
of land situated in the

TOWN OF BRIGHTON

COMPILED FROM P.1052, 152/5D.

COMPILED BY _____

SCALE 1:10000 MEASUREMENTS IN METRES

REGISTERED NUMBER

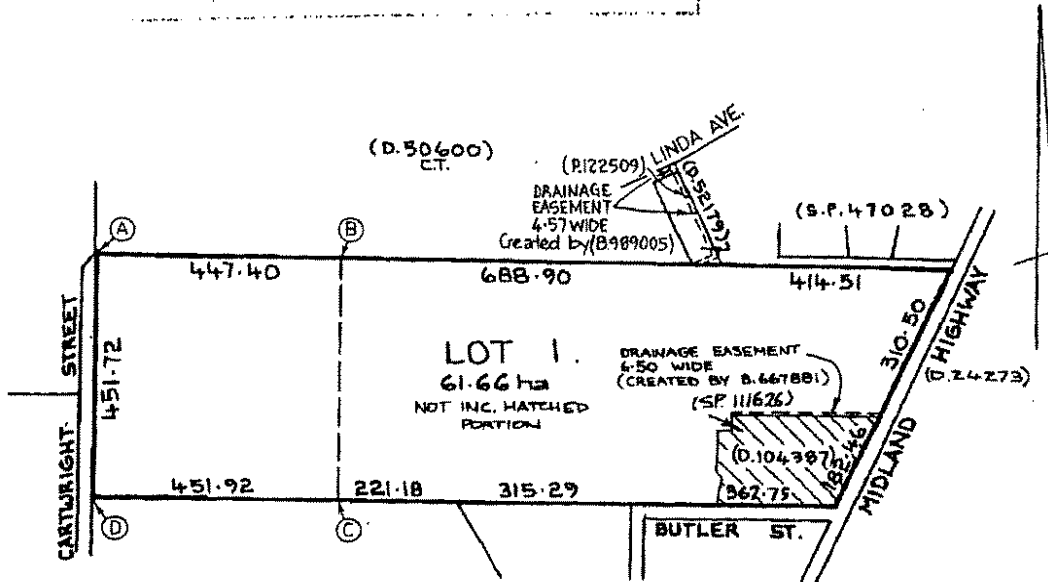
D 107145

Approved 11 AUG 1983

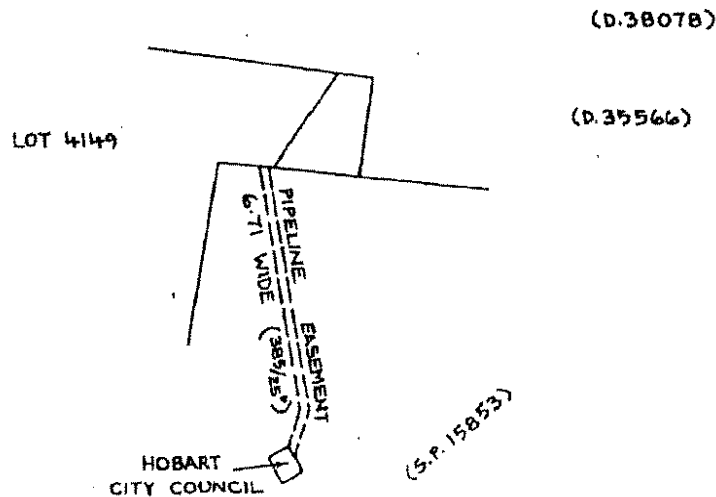
M. J. ...
Recorder of Titles

BALANCE PLAN

MUN. CODE 12	LAST UP 108	LAST PLAN D.54261
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BUCKINGHAM - WELLINGTON





Appendix B

Sales Evidence



The Old Royal Derwent Complex at New Norfolk

Sold by the State Government to the Lachlan River Community Group on 19/7/01 for \$550,000. This comprises a former Mental Health Institution on a total site of 330 hectares made up of 10 titles. Included in the sale were 46 conventional 1960's houses, 1 block of 6 flats, numerous old historic institutional style buildings, workshops etc – in total 85 buildings. The site has an extensive road network, lawns and gardens plus the associated water, sewerage, power and storm water. It also has contamination issues such as landfill, asbestos, pcb's etc.

Since the sale the Group has managed to attract a number of small retail/service outlets as well as an off campus centre for Matriculation Students and a Child Care Centre. All of the 46 houses and the flats have now been sold on the open market.

The Group is currently looking to further maximise the use of the remaining buildings by targeting potential end users such as nursing homes, retirement village etc.

The property was marketed for approximately two months with the State Government reportedly receiving 3 formal tenders. At the time there was some controversial press coverage about the State Government selling off heritage assets. After talking with the Group's CEO it is still unclear if their successful bid was the highest or was the most politically acceptable. Regardless it is a large sale.

Cartwright Street- Glen Lea Estate

The property that forms part of the Brighton Army Camp's northern boundary comprising 112.4 hectares was sold by the Commonwealth Bank as Mortgagee in Possession 20/8/01 for \$160,000. It is worth mentioning that the defaulting mortgagor was a person by the name of Leo Jeffries who have previously very successfully subdivided the initial stages of the Glen Lea Estate and was instrumental in getting the original en-globo parcel rezoned.

The property is zoned Rural Residential and has since been subdivided into two separate initial stages, one of 16 lots and the other of 7 lots. In accordance with the Planning Scheme all the lots average 1 hectare in size i.e. some slightly more some slightly less.

Both stages have been on the market since early July of this year. In the former 5 lots have already sold while 3 lots have sold in the second. The developers have achieved prices ranging from \$30,000 to \$36,000.

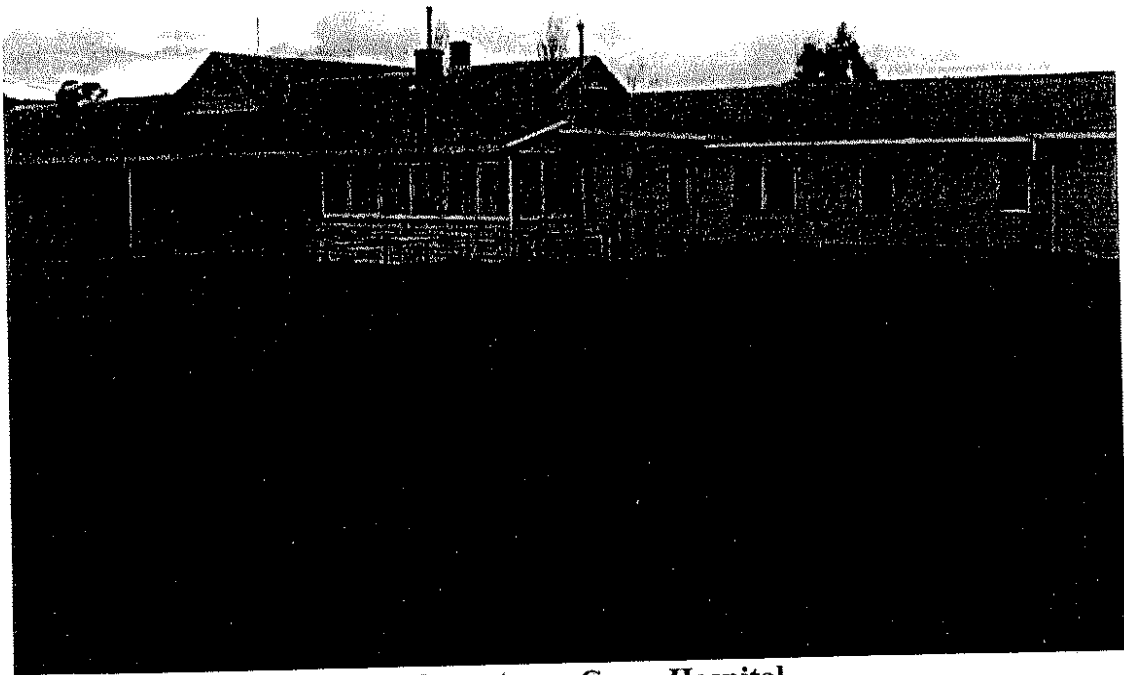
"Upton's Subdivision " Raffan Road, Honeywood

This comprises an approved 35-lot 1-hectare rural residential subdivision, which as yet is predominantly undeveloped. The property has been on the market for some years with the only confirmed offer of \$100,000 for the entire parcel being knocked back by the owner. The property is currently on the market through Petrusma Real Estate with the Mortgagee reportedly requiring \$160,000 plus to recoup their money. Simultaneously another agent is actively trying to sell individual lots on behalf of Upton to try and fend off the bank. At the time of writing there are conflicting reports as to whether or not the sub divisional approval has lapsed.

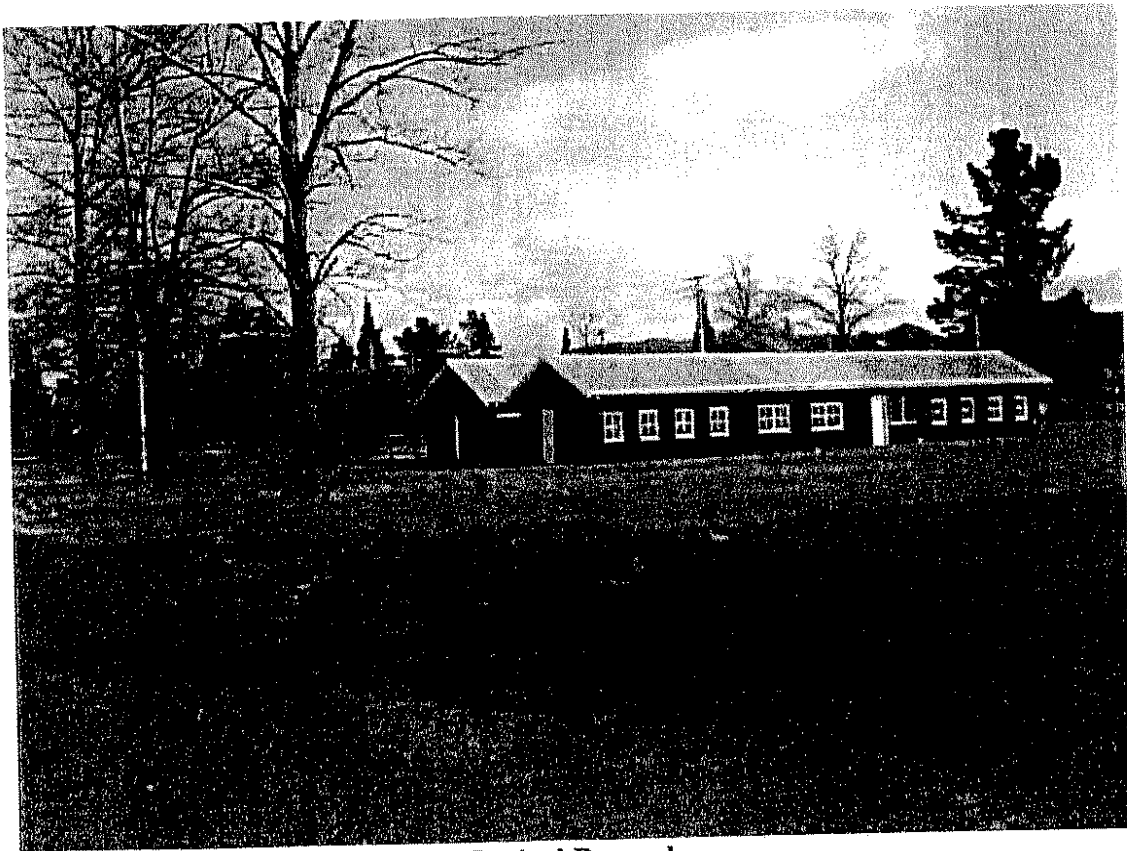


Appendix C

Photographs



Brighton Army Camp Hospital



Typical Barracks



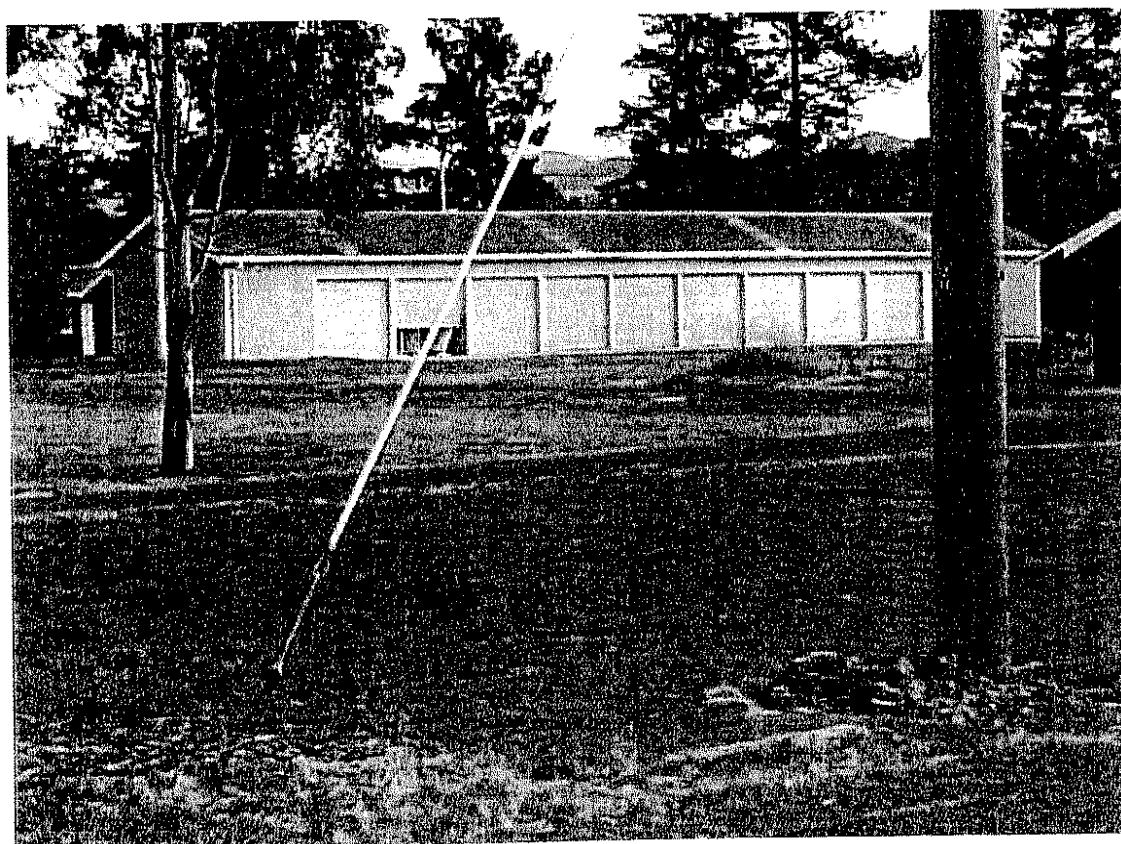
Theatre



View West along Lille Road



Typical Barracks Layout



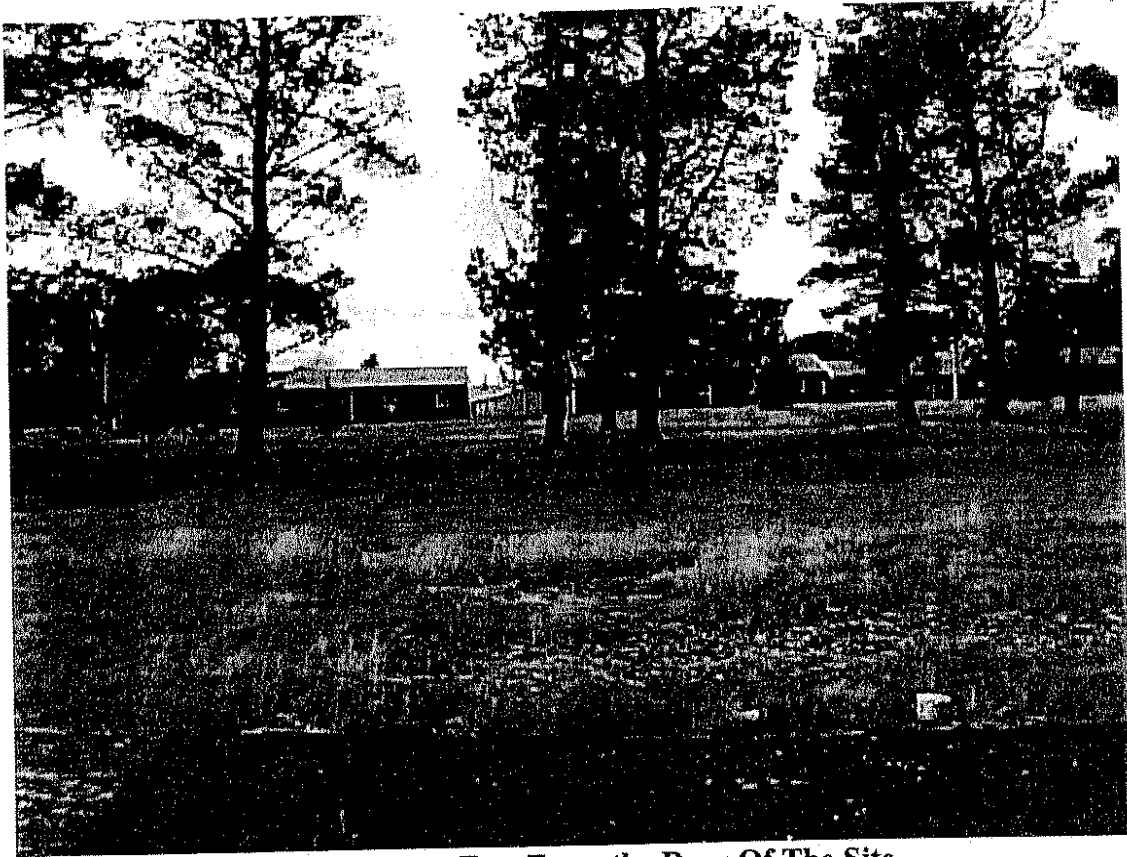
Garage



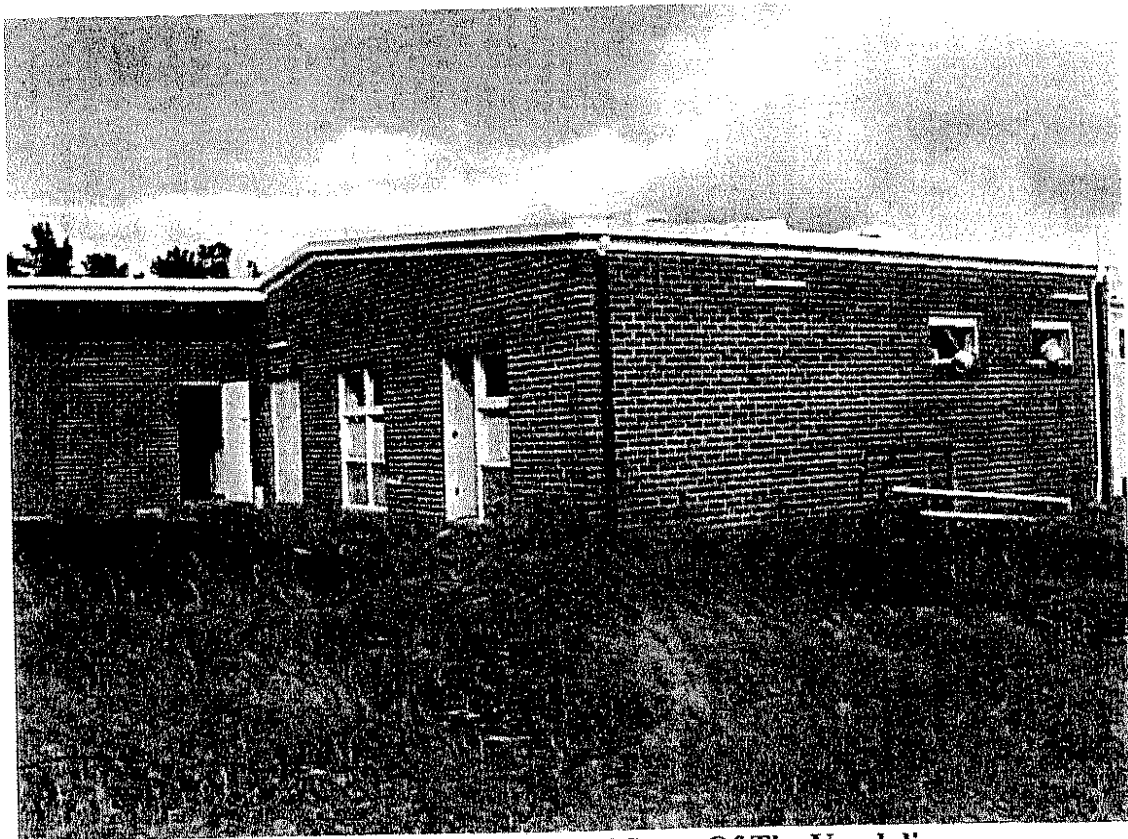
Officers Mess



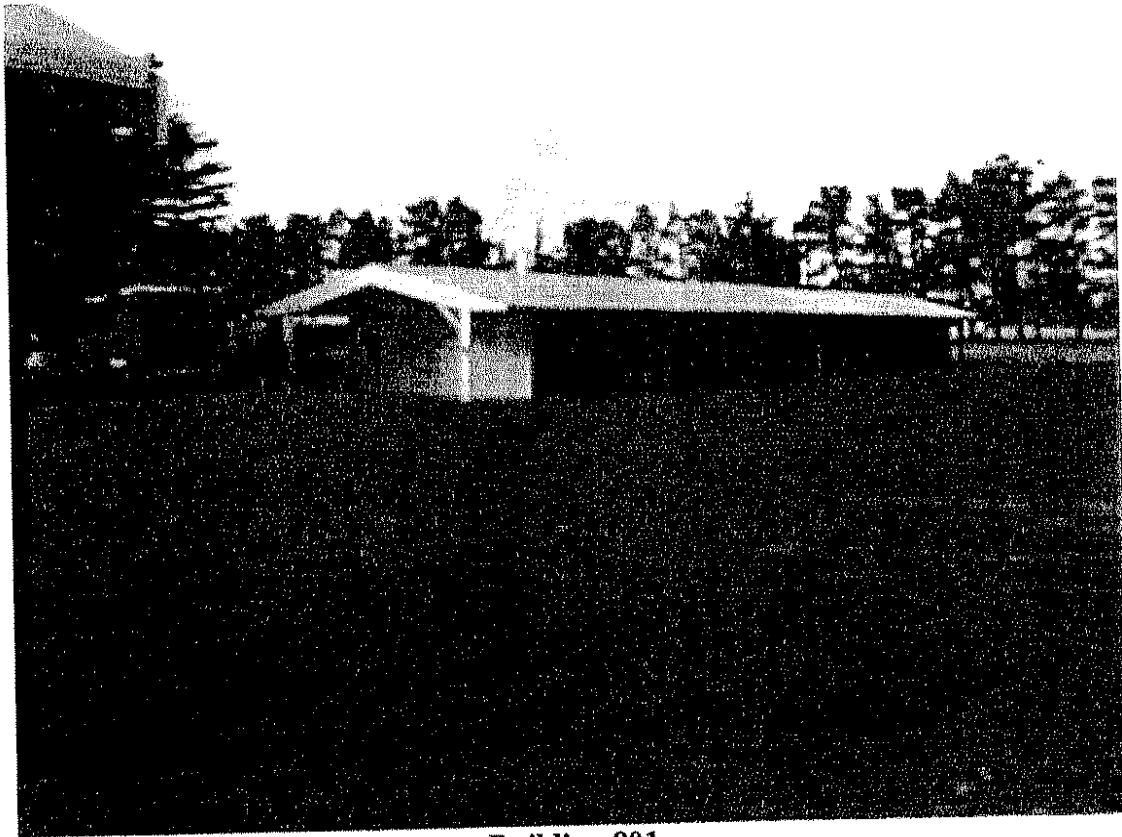
Typical Perimeter Fencing



View Looking East From the Rear Of The Site



Building 804 And Evidence Of Some Of The Vandalism



Building 801



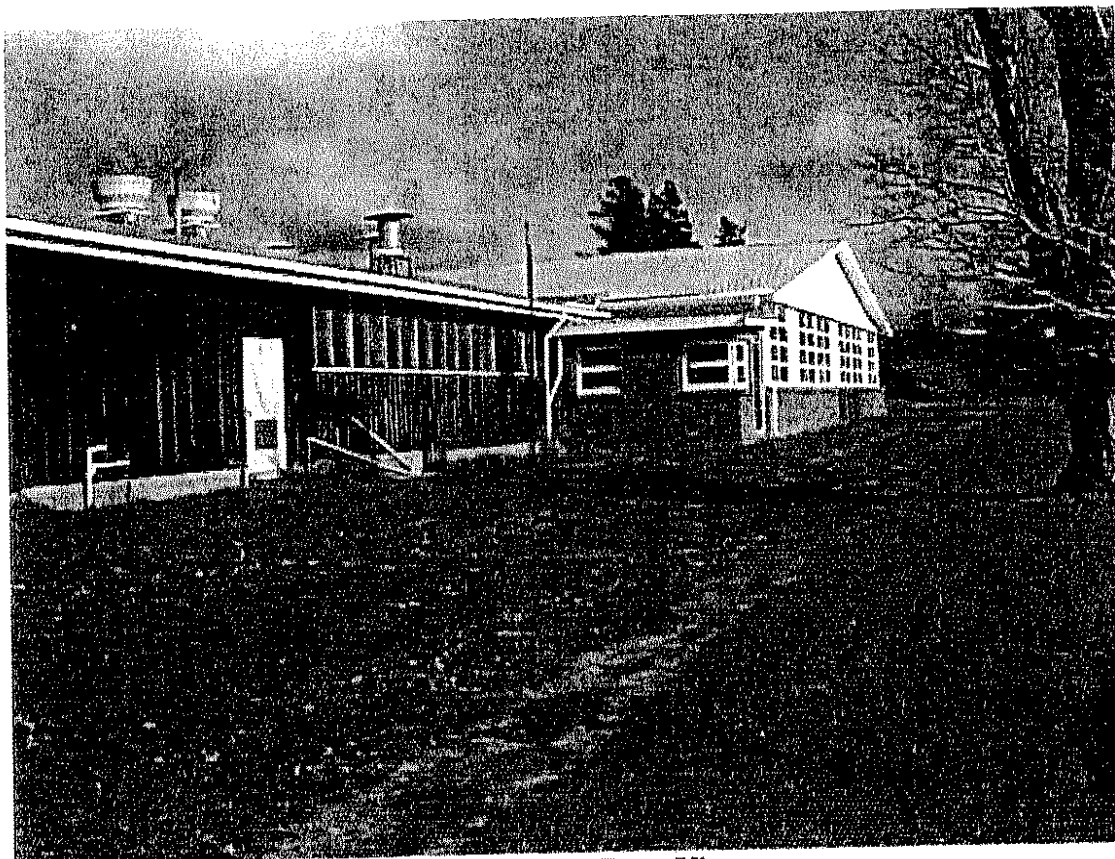
Hardstand Area And Truck Ramp



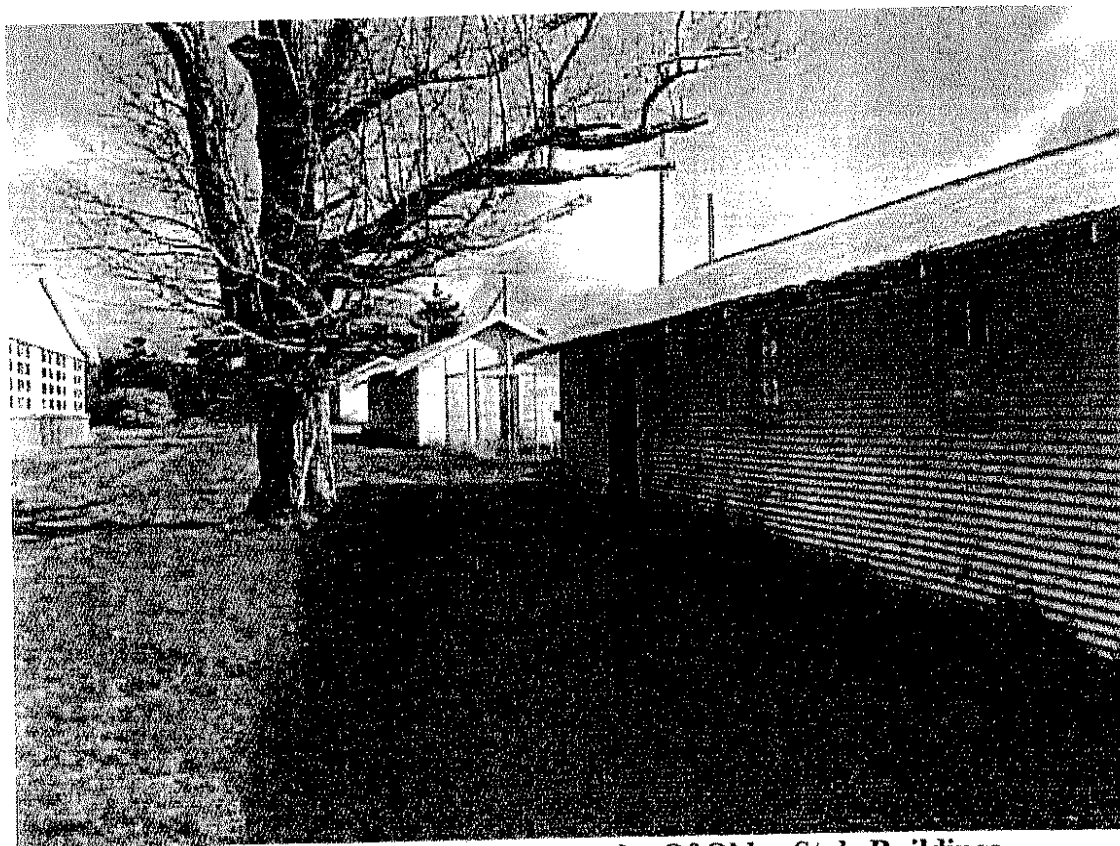
Damaged Hot Water Cylinders Behind Ablution Block



Building 504 And The "Kicked In" Internal Walls



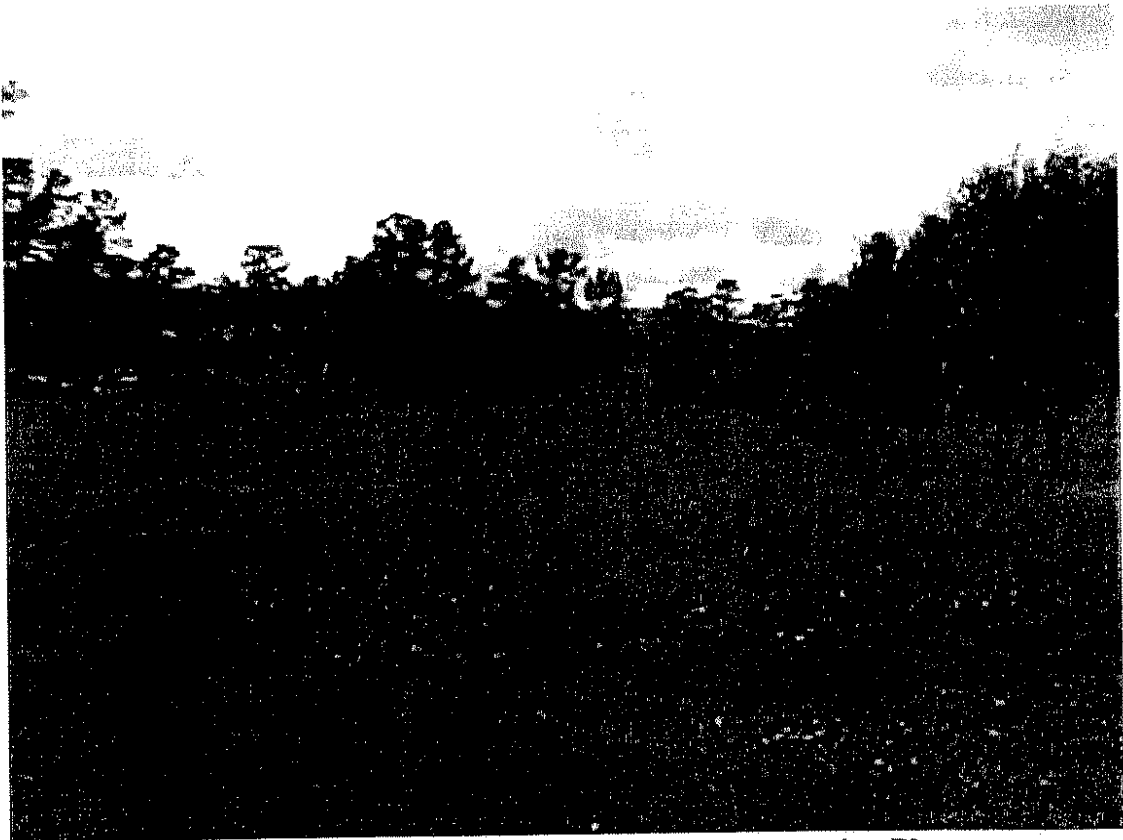
Building 743 – Rear View



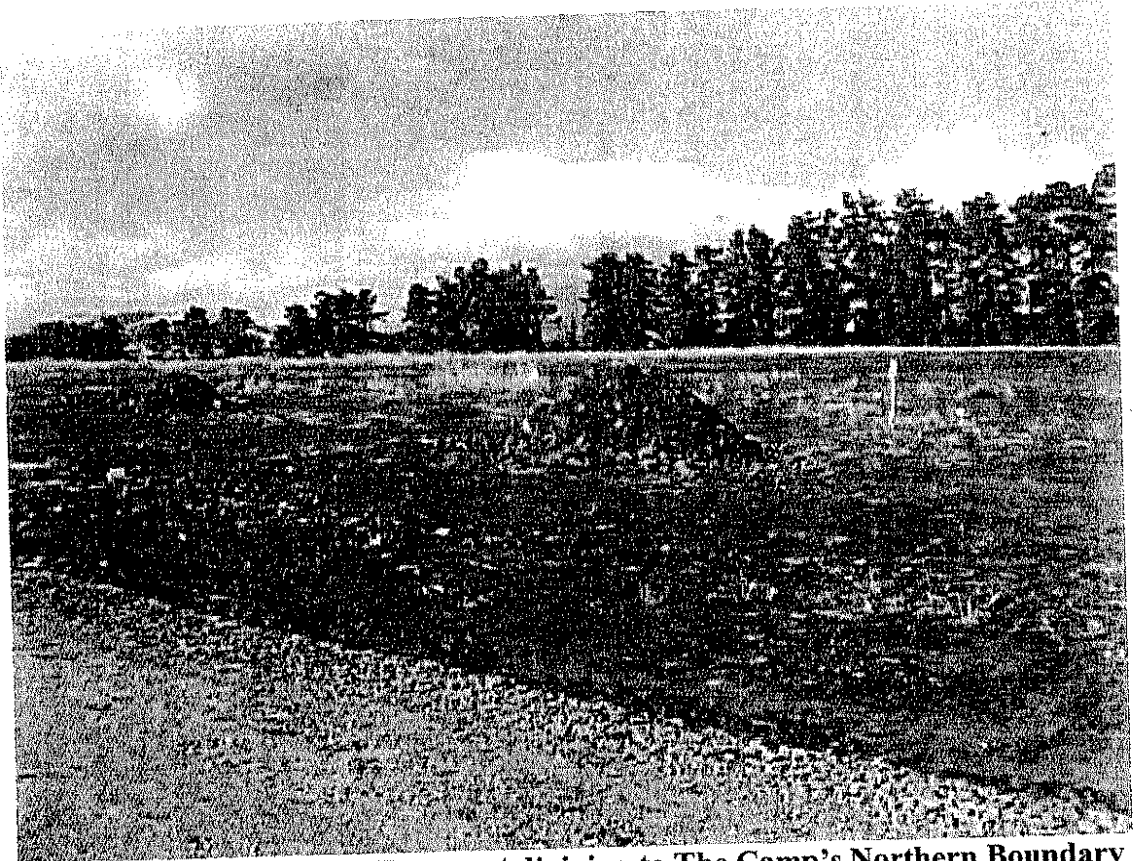
Buildings 716, 723 & 730 – Examples Of Older Style Buildings



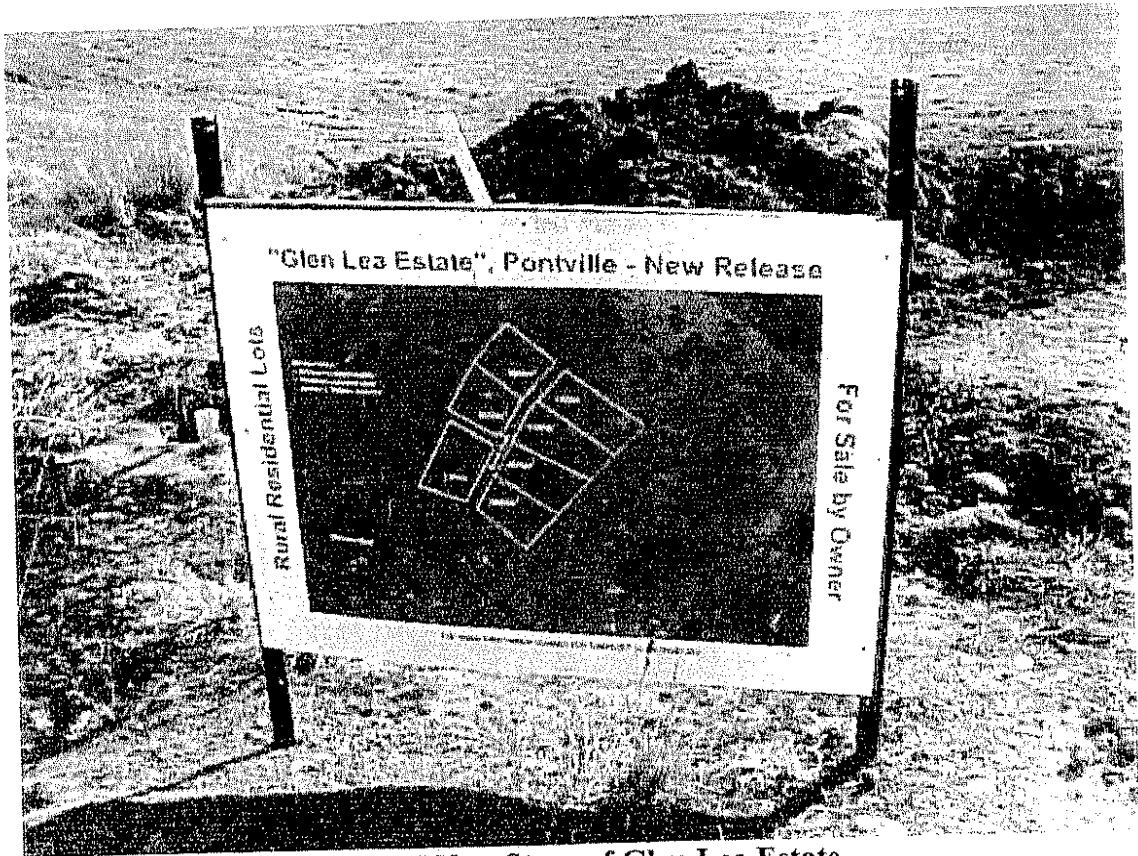
Building 704 And Surrounding Hardstand



One Of The Stands Of Trees On The Conservation Plan



New Section Of Glen Lea Estate – Adjoining to The Camp's Northern Boundary



Second New Stage of Glen Lea Estate