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# PROPERTY APPRAISAL

46A Regent Street,  
Elsternwick VIC 3185



## ABOUT US

### **We're for Buyers.**

At 1Group, we offer honest advice, tailored strategies, based on quality research.

One team around you, with one goal: to make your property decisions intelligent, seamless and profitable. Expert, end-to-end advice from a group of highly qualified professionals, delivering quality property solutions

1Group was born from an aspiration to become innovators and leaders in the real estate space, an industry that tends to be poorly managed, with a vision to create a business that has a positive impact on people's lives. We build genuine relationships with every client and provide a service where trusted advisors have your best interest at heart, always.

Co-Founders Julian and Tal worked collaboratively across their Melbourne and Sydney based businesses for a number of years, supporting each other's clients and sharing research. It was a natural progression to join forces and create one firm that has extensive expertise and resources, operating across the Eastern seaboard. Most importantly, Julian and Tal share a common vision to be the most trusted people in the property. 1Group is both big enough to offer you a comprehensive service and cutting-edge research, and small enough to remain personal and nimble in the market. Our team provides a boutique level of service, but with the knowledge, resources and skill set of a large agency

# Executive Summary

## Key Growth Drivers – 46A Regent Street Elsternwick VIC 3185

### The Location

- **Public Transport:** Strong access to Elsternwick train station. As population growth increases, the demands on train travel will continue to increase
- **Education:** The area is well supported by a number of private and public schools, of different faiths.

### School & Ranking

- Ripponlea Primary School (90/100)
- Sholem Aleichem College (98/100)
- St Joseph's Primary School
- Elwood College (83/100)
- Caulfield Grammar (97/100)
- Adass Israel School (94/100)
- Shelford Girls School (99/100)
- Wesley College (97/100)
- **Education:** Monash University, Caulfield campus is approximately 4.7km away. The Australian Government has a key focus on supporting higher education providers over the next 10-20 years
- **Supply:** Scarcity of freestanding homes in the inner and middle ring suburbs of Melbourne
- **Amenities:** Strong access to Glen Huntly Rd shopping precinct, which includes key retailers, specialty shops and medical facilities
- **Open space:** Elsternwick Park, Harleston Park, Elwood Canal and Rippon Lea Gardens are all within a short walk

### The Product

- Rare 5 bedroom, 4 bathroom and 3 secure car garage. As Melbourne's population and apartment supply increases, the demand for detached homes will increase dramatically
- Well designed floorplan, with functional living, dining and kitchen area, which are well connected to the outdoor
- The master and ensuite are well positioned away from the rest of the home
- Dual entry from the front and rear of the home

# Executive Summary

## Considerations – 46A Regent Street Elsternwick VIC 3185

### 46A Regent St, Elsternwick

<https://www.realestate.com.au/sold/property-house-vic-elsternwick-126576106>

- The majority of sales, at the price point in the area, sit on larger land content, which offers scope to extend and add value. Where as the subject property is on a smaller lot
- Prior and post The Block, there hasn't been any sales on 410m2-450m2 of land. Based on that, it is hard to justify any of the prices paid on The Block Season 13
- If the 4<sup>th</sup> bedroom is used as a bedroom, it impacts access to the master bedroom
- The rear bedroom is more likely to be used as a change or shower room for the pool
- The pricing assessment doesn't make any allowances for furniture that maybe included in the sale
- In relation to the properties from The Block, it is unknown if the owners are liable for annual owners corporation fees

### Sources

- Better Education
- RP Data
- Realestate.com.au
- SQM Research

## Pricing Assessment: \$2,550,000-\$2,650,000



**50 Carrington Grove  
St Kilda East, Vic 3183**

**Sold Price** \$2,395,000  
**Sold Date** 19 Dec 17  
**Category** House  
**Distance to Site** 0.73km  
**Property Link** [Link](#)

**Location** Inferior  
**Land Size** Superior  
**Build Size** Inferior  
**Quality** Inferior  
**Age** Older  
**Zoning** NRZ  
**Overall** Inferior

### Comments:

Larger land content compared to the subject property. However, smaller build size and older fixtures & fittings



**22 Villiers Street  
Elsternwick VIC 3185**

**Sold Price** \$2,850,000  
**Sold Date** 14 Dec 17  
**Category** House  
**Distance to Site** 0.21km  
**Property Link** [Link](#)

**Location** Comparable  
**Land Size** Superior  
**Build Size** Superior  
**Quality** Comparable  
**Age** Comparable  
**Zoning** NRZ  
**Overall** Superior

### Comments:

Comparable location and comparable quality. Superior floorplan and build size compared to the subject property. Close to 50m² more land



**22 Burns Street  
Elwood, Vic 3184**

**Sold Price** \$3,300,000  
**Sold Date** 27 Nov 17  
**Category** House  
**Distance to Site** 0.79km  
**Property Link** [Link](#)

**Location** Superior  
**Land Size** Comparable  
**Build Size** Comparable  
**Quality** Inferior  
**Age** Older  
**Zoning** GRZ  
**Overall** Superior

### Comments:

Superior location, based on access to the beach. Edwardian home, which has been renovated to a high standard. Unique home, making it superior to the subject property

## Pricing Assessment: \$2,550,000-\$2,650,000



**16 Hopetoun Street  
Elsternwick, Vic 3185**

**Sold Price** \$2,201,000

**Sold Date** 11 Nov 17

**Category** House

**Distance to Site** 0.82km

**Property Link** [Link](#)

**Location** Slightly inferior

**Land Size** Comparable

**Build Size** Inferior

**Quality** Inferior

**Age** Older

**Zoning** NRZ

**Overall** Inferior

### Comments:

Unique Edwardian characteristics.  
Smaller home compared to the subject dwelling and far inferior fixtures & fittings



**18 Elizabeth Street  
Elsternwick, Vic 3185**

**Sold Price** \$2,425,000

**Sold Date** 8 Sep 17

**Category** House

**Distance to Site** 0.16km

**Property Link** [Link](#)

**Location** Comparable

**Land Size** Superior

**Build Size** Inferior

**Quality** Inferior

**Age** Older

**Zoning** NRZ

**Overall** Inferior

### Comments:

Close to 100m2 more land compared to the subject property, which presents a good opportunity to extend and add value. Far inferior fixtures & fittings



**75 St Georges Road  
Elsternwick, Vic 3185**

**Sold Price** \$2,500,000

**Sold Date** 28 Aug 17

**Category** House

**Distance to Site** 0.27km

**Property Link** [Link](#)

**Location** Comparable

**Land Size** Superior

**Build Size** Comparable

**Quality** Inferior

**Age** Older

**Zoning** NRZ

**Overall** Inferior

### Comments:

Large, double front home with 120m2 more land. Inferior fixtures & fittings compared the subject home

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# INVESTMENT RISK

All investing involves risk. No assurances or guarantees can, therefore, be given by Financial Planners, Accountants, Mortgage Brokers, Real Estate Agents, Solicitors or any other person about selection, suitability or property performance, including, but not limited to, future capital gains and rental returns.

Property investment, like all investments, is subject to a number of risks that could have a significant adverse impact on its performance. Some of these risks may be beyond the control of any Financial Planners, Accountants, Mortgage Brokers, Real Estate Agents, Solicitors, consumers or any other person involved.

Property investing therefore requires that those risks that can be reduced are managed in an appropriate and careful manner.

The following information highlights some of the risks that consumers should consider prior to making an investment. Legislative Changes in State or Federal legislation or policies may affect the returns to consumers. For example, current government policy allows depreciation; changes to this policy may affect the financial performance on the property.

### **Government**

Value-determining policies such as zonings and the location of infrastructure such as roads, schools and shopping centres may be made and changed by the various levels of government or affected by some other government or semi government department or authority.

### **Market**

The performance of any investment property will be influenced by the general condition of the Australian economy and its investment and property markets. These factors may be cyclical and subject to change.

### **Off the Plan Purchases**

This applies to properties purchased before completion. Throughout such projects the developing company may arrange finance facilities related to the land acquisition, and development of the project..

Unforeseen circumstances may arise where successful completion of the development may not be possible upon the terms outlined in their forecasts. This may prevent the successful completion of the project. Consumers may, therefore, lose their deposits

### **Building**

Should the developer / builder become insolvent, liquidated or suspended, this could result in a project becoming unable to settle or be occupied. This risk is managed by ensuring that the builder has appropriate insurances. Consumers should check the contract(s) to determine if this risk is covered.

### **Warranty**

Faults in construction may result in warranty claims. These risks are managed by the home warranty insurance taken out by the builder. Consumers should check with their solicitor the policy numbers and certificate numbers. Should the insurer become insolvent, liquidated or suspended, this could result in the developer / builder being unable to make good any deficiencies.

### **Title**

Title risks relate to how free title to a particular property can be gained. Encumbrances to title include caveats and covenants. Further details of encumbrances are included in the contract for sale. Consumers should check with their solicitor.

### **Capital Gain / Loss**

Property is a long term (usually 15 years and more) investment, thus any future predictive capital growth shown on the website by any third-party provider, should be measured with a word of caution: Future predictions cannot be determined by past performance for any asset class. Consumers should note that properties in Australia have gone through rises and falls. Some property investors use the term property cycle or “Peak to Peak” to describe a property gaining capital growth. There is no evidence of a regular property cycle and the property value movement recorded is therefore subject to change.



### Assumptions

Every investment calculator makes assumptions. Too often it can be hard even to find out what these assumptions are. All forecasted information herein is based on assumptions, and these have been disclosed in this report.

### Past Performance

Capital and/or rental growth projections based on past performance are NOT necessarily a guide to future performance. Identify the assumptions used in calculators. Be mindful of the intended use of calculators, which is to get a model result, not an actual result.

### Upkeep

Loss of value can happen to an investment arising from events such as lack of maintenance, storm or other disasters. In the case of strata titles, ineffective body corporate may result in insufficient maintenance of the common areas of properties resulting in loss of value. The management of such risks involves the holding of appropriate insurances and involvement in the body corporate by the consumer or the consumer's delegate.

### Rental Demand

The property may fail to attract tenants at the rental rate factored into the income related benefits of the property. An important part of the performance of any property investment will always relate to the rent that can be obtained from tenants.

Factors to consider in assessing tenancy demand;

- Rent Range,
- Letting Period,
- Tenant profile,
- Ease of Re-Letting,
- Value compared to competition,
- Current supply of similar properties in the competing area,
- Expected increase in similar properties in the competing area,
- Overall presentation of the property

Consumers should therefore also consider The Financial Reliability of Tenants and Care for the Property by Tenants in addition to tenancy demand, as per the following paragraphs

### The Financial Reliability of Tenants

Rentals depend not only upon the availability of tenants but also upon the financial reliability of the tenants. The risk in this area may not only involve loss of rental income, it may also involve legal costs involved with dispute and eviction processes.

### Care for the Property by Tenants

Tenants may damage a property beyond that which is normal wear and tear. Risk management in this area involves assessing the responsibility of tenants through such things as references before letting the property and regular inspections throughout the term of the lease. A Landlord Insurance policy is therefore highly recommended and the basic premium for this is included in the investment calculator.

### National and Global Event

Wars, civil insurrections and other major unforeseen events beyond the scope of the information available to consumers at the time of investing could also have an effect on consumers investments. Sometimes events such as these can increase the likely performance of an asset and at other times they can impair performance.

### Personal

Investment strategies often depend upon the income of the consumer. This may be particularly relevant under certain finance structures and strategies. Such risk may be managed by taking out appropriate insurances. Such insurances include:

- Life insurance
- Trauma insurance
- Income insurance

### Estate

Estate risks can arise from the way in which an asset is held. Estate risks impact greatly upon three main issues. These are taxation, inheritance and estate planning e.g. Whether or not the consumer has a will; What kind of tenancy will be involved if there is more than one owner (e.g. tenancy in common or joint tenancy)? How will the assets be held (e.g. individual ownership, company, SMSF or trust)?

Should the need arise to replan your estate, transferring the property into a different name may incur costs, such as:

- Capital gains tax
- Land tax
- Solicitors fees
- Accountants fees

### **Public Liability**

Consumers should be aware that members of the public might be able to sue them for injuries received whilst on their property. This is usually included in Landlord Insurance policies. Consumers should check the policy for details.

### **Taxation**

Many property investment strategies involve taxation related issues. Consumers should be aware of the possibility of the performance of their investment being affected by changes in taxes such as income tax, capital gains tax and various property taxes such as land tax.

### **Borrowing**

Interest rate increases may affect consumers' ability to meet the loan repayments. Failing to meet regular payment may lead to a Defaulting Mortgage and a possible forced sale. This may result in substantial losses.

### **Defaulting mortgage**

A consumer's circumstances may change over time resulting in a change to their cash flow and your ability to maintain payments on any loans that they may have taken against the investment. Non payments towards a mortgage will result in a default notice/s and a possible forced sale. This may result in substantial losses.

### **Holding the property**

In addition to the mandatory obligations of a mortgage the following, if applicable to a consumer's property, are also mandatory:

- Land tax
- Managing Agent fees
- Strata fees
- Water rates
- Council rates

- Accountant fees
- Financial Planners fees
- Electricity
- Gas

### **Selling the Property**

Depending on a number of conditions, the consumer may need to sell the property at a time when demand is low and this could result in losses due to capital gains tax and other fees e.g.

- Capital gains tax
- Land Tax
- Selling agent fees
- Marketing fees
- Solicitors fees
- Accountants fees

### **Property Trading**

Property investing requires that consumers hold their investment for a long term (usually 15 years). Property trading is buying (via various methods) and selling property in a short period of time (under 5 years). Knowing all the factors that may influence the property a consumer is considering and knowing the precise timing of these factors are the prerequisites to a successful and an unsuccessful trade. An unsuccessful trade may incur high losses.

### **Crown Land**

All real estate in Australia is on Crown Land. Instances may arise where a consumer will have to sell their property to the Government. Depending on their circumstances at that time they may incur losses.

### **Mining**

Drilling of gas wells via various methods e.g. fracking and mining land for resources may result in possible irreversible damage and may devalue the land / property.

### **Special Note**

Consumers must seek their own professional advice in relation to the risks and must make their own assessment in all these areas before investing.