

Appraisal Report For *Mantra on Frome*

Apartments: 205, 305, 306, 307, 405, 407, 603, & 604.



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“Thank you for choosing e-real estate, South Australia’s innovative & affordable real estate agency.

I look forward to providing you with the best service possible, to achieve a fantastic result for your property.

Feel free to contact me any time, 7 days a week with any questions you may have with this report, I am always here to help.”

~Jonathon Toop, Principal.



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Mantra on Frome

88 Frome Street, Adelaide SA 5000.

Mantra on Frome is a spacious, stylish apartment style hotel situated in the heart of Adelaide's vibrant East End café precinct. The perfect location for business or leisure travellers, Mantra on Frome is just moments away from Adelaide's CBD, Rundle Mall shopping precinct, theatres, entertainment and dining.

The hotel is also minutes away from the Adelaide Botanical Gardens, Adelaide Zoo, Central Markets and Adelaide City Swim & Gym. For travellers wishing to explore the famous Barossa Valley and McLaren Vale wine growing regions, Mantra on Frome is an ideal accommodation base offering close proximity to car hire companies, public transport and tour operators.

The property is made up of studio rooms or self-contained one, two and three bedroom apartments. After unwinding in the living or dining areas with cable television and in-house movies, budding romantics are now able to throw the doors wide open, step out onto the balcony, soak up the view and experience in the buzz of the city.

To ensure your stay at Mantra on Frome is as comfortable and enjoyable as possible, the helpful, professional team is available via the 24 hour reception desk. A tour desk, room service, secure undercover parking, same day laundry and dry cleaning service, babysitting and secretarial services are also available, plus in-room massage upon request.

Ideally located close to Adelaide's CBD, visitors staying at Mantra on Frome will enjoy easy access to all the City of Churches has to offer:

- Rundle Mall shopping precinct
- East End cafe district
- CBD
- Theatres, casino & entertainment area
- Adelaide Botanical Gardens
- Adelaide Zoo
- Adelaide Central Markets
- Adelaide City Swim & Gym
- Airport - 10mins by car (approx. \$A17)

Source: Mantra on Frome homepage ([link](#)).



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The following is a list of the subject apartments, grouped by style (floor plan):

“Diana” style apartment: 2 bedroom, single bathroom with balcony.

<u>Apartment #:</u>	<u>Size:</u>	<u>Car park:</u>	<u>Net Rental income:</u>	<u>Appraisal:</u>	<u>Appraisal Cap Rate:</u>
205	62.7m2	No	\$19,691	\$289,000	6.81%
305	62.5m2	No	\$20,224	\$299,000	6.76%
306	62.7m2	No	\$17,095	\$270,000	6.33%
405	62.7m2	No	\$24,702	\$353,000	7.00%

“Flinders” style apartment: 2 bedroom, single bathroom with balcony.

<u>Apartment #:</u>	<u>Size:</u>	<u>Car park:</u>	<u>Net Rental income:</u>	<u>Appraisal:</u>	<u>Appraisal Cap Rate:</u>
307	67m2	#35	\$24,448	\$349,800	6.99%
407	67m2	#39	\$20,713	\$305,000	6.79%

“Fleurieu” style apartment: 2 bedroom, twin key, 603A and 603B, two bathrooms with single balcony. Great city views from balcony and bedrooms.

<u>Apartment #:</u>	<u>Size:</u>	<u>Car park:</u>	<u>Net Rental income:</u>	<u>Appraisal:</u>	<u>Appraisal Cap Rate:</u>
603	72m2	#18	\$26,309	\$380,000	6.92%

“Diplomat” (variant) style apartment: 2 bedroom, single bathroom with single balcony.

Great city views from balcony and bedroom window.

<u>Apartment #:</u>	<u>Size:</u>	<u>Car park:</u>	<u>Net Rental income:</u>	<u>Appraisal:</u>	<u>Appraisal Cap Rate:</u>
604	65m2	#33	\$25,685	\$370,500	6.93%



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Comparable sales:

The length of time between sales in this building and the low number of apartments both on the market and sold shows a limited supply within this building, usually indicating that these apartments perform well as longer term investments and are tightly held by their owners.

The most recent sale within the building:



69/82 Frome Street Adelaide, SA, 5000

Sale Price: \$372,000

Lot Plan: 69/C20415 S152 ADELAIDE SA

Zoning: Frame District 19

Eq. Building Area: 72.0m²

2 2 1 - [Update Data](#)

Sale Date: 7 Jun 2013

Category: Unit: Townhouse/Villa

Land Use: Serviced Apartments (Inc. Strata-Titled Hotel/Motel Units)

This apartment is almost identical to apartment 603, which is a twin key, two bedroom, two bathroom apartment with good city views from the balcony and bedrooms. This apartment and 603 both have 72m² floor area, very similar floor plans and one car park space. With an additional seven months capital growth added to the \$372,000 sale price, the expected market value of apartment 603 is \$380,000. This also serves as a template for the market value of 604 being \$370,500.



57/82 Frome Street Adelaide, SA, 5000

Sale Price: \$260,000

Owner Name : Lloyd Super Investments Pty Ltd

Category: Unit: Townhouse/Villa

Land Use: Serviced Apartments (Inc. Strata-Titled Hotel/Motel Units)

Sale Date: 17 Oct 2012

Lot Plan: 57/C20415 S152 ADELAIDE SA

Zoning:

Eq. Building Area: 59.0m²

2 1 - [Update Data](#)

This 59m² apartment was initially advertised for \$340,000 in December of 2009, slowly reducing in price to achieve a sale price of \$260,000 after being off the market for two years in October 2012. The size of the apartment and rental income is similar to apartment 306, which is 62.7m². After making adjustments for the increased size and income, and being two floors down with lessor views, the expected market value for this apartment is \$270,000. This also serves as a starting point for adjustment to achieve the market values for 205, 305, 407 and, to a lesser extent, 307 & 405.



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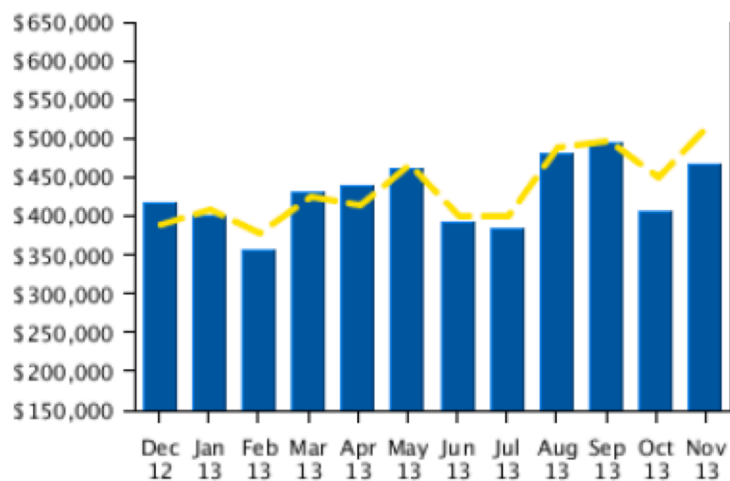
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The following is the most recent Adelaide suburb statistics report, which outlines that Adelaide City apartments are performing well:

Recent Median Unit Sale Prices

Period	Adelaide Median Price	Adelaide LGA Median Price
November 2013	\$466,000	\$515,250
October 2013	\$406,500	\$449,500
September 2013	\$494,000	\$497,000
August 2013	\$480,000	\$488,750
July 2013	\$382,500	\$400,000
June 2013	\$392,000	\$399,500
May 2013	\$460,000	\$465,000
April 2013	\$440,000	\$415,000
March 2013	\$430,000	\$425,000
February 2013	\$355,000	\$377,500
January 2013	\$400,000	\$407,500
December 2012	\$417,000	\$390,000

Recent Median Unit Sale Prices



Source: RPData.



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Tenancy Schedule:

Lot. No.	Apt. No.	No. Of Bedroom	Carpark Lot No	Area m2	Gross Rent Income	Rental Payble	Out Goings Cost	Net Rental	Selling Price
TENANCY-- 88 FROME STREET ADELAIDE			Lease Term 5 years		Lease Comencing Date 29.6.2000		Rental Review CPI or 4% the lower		
(MANTRA)		Phone 08 8223 9080		Further Terms 3 X 5 YRS		Exercised 1/4/2005-- 1.6.10--28.6.15-- 28.6.2020			
22	205	2		62.7	26,875.44	26,875.44	7,184	19,691	\$289,000
34	305	2		62.5	27,516.60	27,516.60	7,292	20,224	\$299,000
36	306	2		62.7	24,171.24	24,171.24	7,076	17,095	\$270,000
38	307	2	35	67	32,306.88	32,306.88	7,859	24,448	\$349,800
46	407	2	39	67	28,113.48	28,113.48	7,400	20,713	\$305,000
50	405	2		62.7	32,668.32	32,668.32	7,967	24,702	\$353,000
70	603	2	18	72	34,694.16	34,694.16	8,385	26,309	\$380,000
71	604	2	33	65	33,500.64	33,500.64	7,815	25,685	\$370,500
		16		521.6	239,847	239,847	60,978	178,869	
	Date Adjusted Rent				1.1.14	1.1.14	30.6.13		

Source: Supplied document.



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Marketing costs:

The following is a list of applicable selling costs associated with the sale of the Frome Street apartments (correct as of 23/1/14):

Lot #:	Apt #:	Expected Sale Price:	Admin Fee:	Agent Commission (based on 2.2% Inc GST Com):	Total Disposal Cost*:
22	205	\$289,000	\$99	\$6,358	\$6,457
34	305	\$299,000	\$99	\$6,578	\$6,677
36	306	\$270,000	\$99	\$5,940	\$6,039
38	307	\$349,800	\$99	\$7,696	\$7,795
46	407	\$305,000	\$99	\$6,710	\$6,809
50	405	\$353,000	\$99	\$7,766	\$7,865
70	603	\$380,000	\$99	\$8,360	\$8,459
71	604	\$370,500	\$99	\$8,151	\$8,250
				Web listing fee:	\$4,888
				Photography:	\$700
	Total:	\$2,616,300		Total cost:	\$58,351

Please note:

- Administration fee includes title searches.
- Web listing fee includes listing on www.realestate.com.au with "Premier property" upgrade for 45 days, and an e-brochure sent to subscribers.
- Property video, brochures, other major property website marketing, newsletter and social media distribution is complementary.
- *Conveyancer fees and charges from conducting statutory and council searches are not included in this estimate, as these will vary with your chosen conveyancer.
- Please note that E-Real Estate Pty Ltd does not charge additional "exit" fees for properties that do not sell and are withdrawn from the market.
- These costs are an estimate only and are subject to change, but only authorized expenses will ever be charged to the vendor.



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Thank you for the opportunity to appraise your apartments.

Adelaide CBD provides the perfect setting for our complimentary property videos. We have found that many buyers, from interstate and overseas, are not familiar with the locational factors that make property investment in Adelaide so appealing. Our videos highlight the best that Adelaide has to offer whilst being honest and to-the-point.

Property videos also capture potential buyers' attention for up to five times as long as advertising using only static photographs and text, whilst creating interest with a voice-over dialogue by myself, the agent. It is our strong belief that video tours are not only important to securing a sale quickly, but vital when setting your property apart from the many listings that buyers must sift through.

If you would like to proceed with our marketing campaign put forward in this report, or would like to know more about how we will work the hardest for your business, please contact Jonathon Toop on 0407 100 331 or email sales@erealestate.com.au anytime, 7 days a week.

We are proud members of the Real Estate Institute of South Australia (RLA 247 900), and are fully equipped to find the right buyers for your Adelaide properties. I look forward to speaking with you soon.

Kind regards, Jonathon Toop
Principal, E-Real Estate Pty Ltd

Disclaimer: The information provided within this report is dependent upon the accuracy and correctness of information from third party sources. We accept no liability for the inaccuracy of this third party information and therefore cannot guarantee the accuracy of the information supplied in this report. If in doubt, ask the agent who has supplied this report, or email sales@erealestate.com.au for a prompt reply.



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