Information Memorandum

13 Kerta Rd, Kincumber



Prepared by:

Ben Purdue Raine&Horne Commercial Central Coast

April 2018





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Executive Summary

| Property | 13 Kerta Rd, Kincumber |
|---------------------|--|
| Legal Description | LOT 19 DP758569 |
| General Description | Industrial |
| Net Lettable Area | 730m² * |
| Land area | 1,619m ² * |
| Taxable land value | \$285,333 - Land ID: D758569/19/29 |
| Parking Area | 10 car spaces* |
| Title | Freehold title |
| Tenancy Status | Tenanted |
| Zoning | IN 1 – General Industrial |
| Method of Sale | Public Auction – 6 th June 2018 onsite at 11:00am |
| Annual net income | \$73,007.18 Ex GST* |

^{*}Approximate



Click image for Contract for sale



Introduction

On behalf of the vendors, Raine&Horne Commercial has the pleasure of offering 13 Kerta Rd, Kincumber for sale by way of Public Auction.

We trust you will recognise and acknowledge the benefits of this offering, as sites with this freehold land area & improvements rarely come to market in Kincumber, and when offered to market are hotly contested.

The Opportunity

13 Kerta Rd, Kincumber presents a rare opportunity to acquire a fantastic freehold property with tenants in place in one of the most tightly held areas of the Central Coast.

The lettable area is comprised of approximately 730m^{2*}.

The property was originally built as four (4) attached industrial units with driveway access at the front & rear of the property.

The zoning is conducive to a myriad of uses with in the general industrial zoning subject to council approval. With proximity to fantastic waterways & the glorious Avoca Beach, the property suits avid investors & owner occupiers alike.





Property Overview

Location

The subject property has street frontage to Kerta Rd with proximity to Mitre 10, Mitre 10 Trade, Kincumber Swim Centre, trendy cafes & restaurants.

Surrounded by industrial & residential property, bookmarked by Brisbane Waters & iconic sandy beaches the property presents a fantastic opportunity for the investor. Kincumber lies within the Local Government Area administered by Central Coast Council.

The property is situated 20kms to the M1 motorway and 18kms to the Gosford train line.





Surrounds

Kincumber is an established residential suburb on the Central Coast NSW, approximately 92km north of the Sydney CBD & 1hr 36 mins drive.

Traditionally an affordable residential suburb with proximity to the popular holiday destination of Avoca Beach. Local attractions include Kincumber Mountain National Park, Kantara House Function Centre, proximity to the popular tourist destination Terrigal Beach with quality surfing waves, Brisbane Waters for fishing & boating enthusiasts.

Kincumber has a vibrant industrial market of which is tightly held with many properties owned for decades. The area is accessible by public transport & a short drive to the M1 Motorway.

The location suits both large & small enterprises with plenty of options for industrial & retail businesses in the local area.

Organisations located in the surrounding area include:

- Mitre 10
- Mitre 10 Trade
- Block & Tackle Brewery
- Kincumber Shopping Centre
- Reece Plumbing
- Ettalong Beach Club
- Multiple McDonald's sites
- Domino's, Subway & KFC
- Gosford Hospital (\$368 million upgrade under construction)



Property Features

- ✓ Freehold industrial property
- ✓ Multiple tenants in place
- ✓ High growth area
- ✓ Proximity to transport services

Description of Improvements

The property consists of sheet metal external walls with the roofing covered in metal clad sheeting. It has concrete block internal walls dividing each unit.

The property has concrete floors, metal clad internal walls, fluorescent lighting throughout. The property was a purpose-built industrial factory facility & is currently used for this purpose.

The property has prominent street frontage with plenty of parking both onsite & on street. Vehicle access via Kerta Rd & Shipwrights Lane.





| General description | | Annual income |
|-------------------------------|-----------|--------------------|
| 1-3/13 Kerta Rd | | \$ 56,070.00 |
| 4/13 Kerta Rd | | \$ 23,464.36 |
| Total | | \$ 79,534.36 |
| Statutory outgoings | Recovered | Amount |
| | | |
| Council Rates | No | \$ 2,292.00 |
| Council Water Rates | No | \$ 2,041.20 |
| Insurance | No | \$ 2,055.98 |
| Annual Fire Safety Inspection | No | \$ 138.00 |
| Total | | \$ 6,527.18 |
| Net rent total pa | | \$73,007.18 Ex GST |

All amounts exclude GST

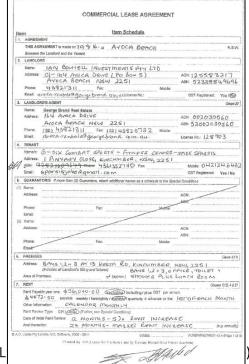


Synopsis of leases

Lease details Unit 1-3

Two (2) years Lease term Two (2) years Option period 3 October 2016 Lease commencement date Lease expiry date 3 October 2018 Permitted Use **Boxing & Fitness Studio** \$56,070.00 Rent at commencement Rent increases 5% annual Rent review Market rent review Security bond \$4,450.30 **Public Liability insurance** \$10 Million

Guarantor Yes





Lease details Unit 4

Lease term Three (3) years

Option period Nil

Lease commencement date 1 June 2010

Lease expiry date 31 May 2013

Permitted Use Mechanical Workshop

Rent at commencement \$28,312.00 + GST

Rent increases Consumer Price Index - CPI

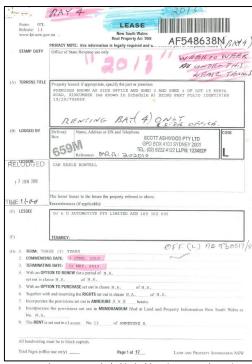
Rent review Market rent review

Security bond Nil

Public Liability Insurance \$10 Million

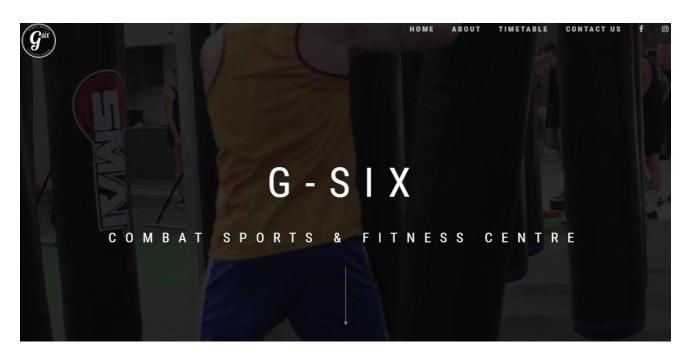
Guarantor Nil

Note: Original lease was for units 3 & 4, now currently leasing unit 4



Lease document (click the image to view)

Tenant Profile



G-Six are a locally-owned gym that offers functional training, boxing and strength training. They provide a team environment, made up of everyone from casual gym users, to professional bodybuilders, to professional athletes.

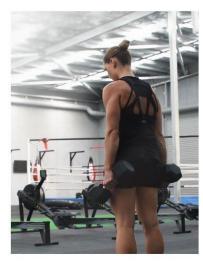
They motivate each other, they know everyone are different shapes and sizes and cater for all have different goals - and at G-Six, they want to give you the knowledge and drive to smash those goals and go beyond.

CLASS TYPES

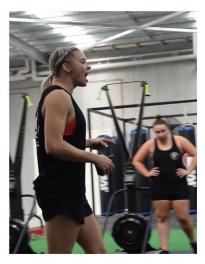
We know how to mix it up. As well as functional and combat classes, we also offer child-friendly classes for busy mums. View the **timetable** for class days and times.



BOXING
Footwork, techniques and drills.
Suitable for both beginners and veterans.



FUNCTIONAL & STRENGTH
From weights, to sled runs, each class will challenge
you in a different way.



PERSONAL TRAINING

G-Six is home to local personal trainers who treat
every client as an individual.

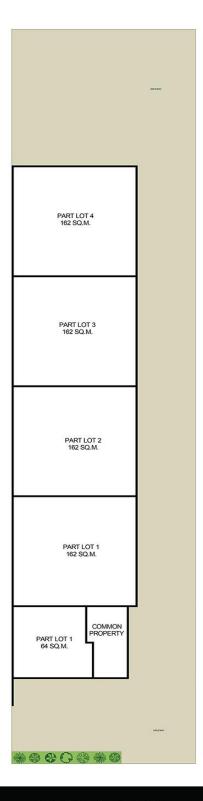


GJ & D Automotive Pty Ltd t/as Kincumber Service Centre

Kincumber Service Centre has been in this location for many years specialising in automotive vehicle servicing, auto electrical & repairs.



Floor Plan







13 KERTA ROAD, KINCUMBER



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The Local Market

Central Coast Council has adopted a forward-thinking approach with the recent amalgamation of the Wyong & Gosford Councils. At the forefront of the Council's plans is the revitalisation of the Central Coast through upgrading infrastructure, creating jobs and attracting tourists.

Kincumber & surrounding areas is a competitive market with a mixture of retail, commercial & industrial properties across the area.

Kincumber has a cross section of predominately residential properties with a corridor of retail strip shops through its centre. Ownership patterns for Kincumber range from owner occupiers to tenants with growing families. Levels of commercial vacancies have remained contracted over the past few months; some notable sales have been recorded in the area recently although predominately, properties are tightly held which ensures good interest when suitable premises are offered for sale.



Kincumber Shopping Village



RBA Statement

Statement by Philip Lowe, Governor: Monetary Policy Decision Number 2018-07

Date 3 April 2018

At its meeting today, the Board decided to leave the cash rate unchanged at 1.50 per cent.

The global economy has strengthened over the past year. A number of advanced economies are growing at an above-trend rate and unemployment rates are low. The Chinese economy continues to grow solidly

at an above-trend rate and unemployment rates are low. The Chinese economy continues to grow solidly, with the authorities paying increased attention to the risks in the financial sector and the sustainability of growth.

Globally, inflation remains low, although it has increased in some economies and further increases are expected given the tight labour markets. As conditions have improved in the global economy, a number of central banks have withdrawn some monetary stimulus and further steps in this direction are expected.

Long-term bond yields have risen over the past six months but are still low. Equity market volatility has increased from the very low levels of last year, partly because of concerns about the direction of international trade policy in the United States. Credit spreads have also widened a little but remain low.

Financial conditions generally remain expansionary. There has, however, been some tightening of conditions in US dollar short-term money markets, with US dollar short-term interest rates increasing for reasons other than the increase in the federal funds rate. This has flowed through to higher short-term interest rates in a few other countries, including Australia.

The prices of a number of Australia's commodity exports have fallen recently but remain within the ranges seen over the past year or so. Australia's terms of trade are expected to decline over the next few years but remain at a relatively high level.

The Australian economy grew by 2.4 per cent over 2017. The Bank's central forecast remains for faster growth in 2018. Business conditions are positive and non-mining business investment is increasing. Higher levels of public infrastructure investment are also supporting the economy.

Stronger growth in exports is expected after temporary weakness at the end of 2017. One continuing source of uncertainty is the outlook for household consumption, although consumption growth picked up in late 2017. Household income has been growing slowly and debt levels are high.

Employment has grown strongly over the past year, with employment rising in all states. The strong growth in employment has been accompanied by a significant rise in labour force participation, particularly by women and older Australians. The unemployment rate has declined over the past year but has been steady at around 5½ per cent over the past six months.

The various forward-looking indicators continue to point to solid growth in employment in the period ahead, with a further gradual reduction in the unemployment rate expected. Notwithstanding the improving labour market, wages growth remains low.



This is likely to continue for a while yet, although the stronger economy should see some lift in wages growth over time. Consistent with this, the rate of wages growth appears to have troughed and there are reports that some employers are finding it more difficult to hire workers with the necessary skills.

Inflation remains low, with both CPI and underlying inflation running a little below 2 per cent. Inflation is likely to remain low for some time, reflecting low growth in labour costs and strong competition in retailing. A gradual pick-up in inflation is, however, expected as the economy strengthens. The central forecast is for CPI inflation to be a bit above 2 per cent in 2018.

On a trade-weighted basis, the Australian dollar remains within the range that it has been in over the past two years. An appreciating exchange rate would be expected to result in a slower pick-up in economic activity and inflation than currently forecast.

The housing markets in Sydney and Melbourne have slowed. Nationwide measures of housing prices are little changed over the past six months, with prices having recorded falls in some areas. In the eastern capital cities, a considerable additional supply of apartments is scheduled to come on stream over the next couple of years. APRA's supervisory measures and tighter credit standards have been helpful in containing the build-up of risk in household balance sheets, although the level of household debt remains high.

The low level of interest rates is continuing to support the Australian economy. Further progress in reducing unemployment and having inflation return to target is expected, although this progress is likely to be gradual. Taking account of the available information, the Board judged that holding the stance of monetary policy unchanged at this meeting would be consistent with sustainable growth in the economy and achieving the inflation target over time.

Enquiries

Media and Communications

Secretary's Department

Reserve Bank of Australia

SYDNEY



Infrastructure upgrades & benefits

8 August 2017 Statement from Scot MacDonald – Central Coast Council

Tuggerah residents will benefit from another major milestone achieved this month on the \$84 million Pacific Highway and Wyong Road upgrade at Tuggerah.

Parliamentary Secretary for the Central Coast Scott MacDonald MLC said the new traffic lights at the busy intersection have been switched on and once the upgrade is complete, traffic flow and safety will be improved for motorists.

"This is fantastic news for the Tuggerah community who will now be able to enjoy a safer journey through this major intersection," Mr MacDonald said.

"Crews have been working hard to deliver this project since January last year and work is pushing ahead with new traffic lights now installed.

"Wyong Road is the major road which links Sydney to Wyong, Tuggerah, The Entrance and surrounding coastal suburbs via the Pacific Highway and Newcastle Freeway so it is essential this project is delivered for the community."

Mr MacDonald said the former roundabout at the intersection was used by around 55,000 vehicles daily and had a history of crashes during heavily congested peak hours.

"By converting the existing roundabout to a traffic light intersection, motorist safety and traffic will improve.

"Once complete, the upgrade will provide three lanes in each direction on Wyong Road, three right turn lanes from the Pacific Highway to Wyong Road and dual left and right turn lanes from Wyong Road to the Pacific Highway.

"The community are thanked for their patience and will continue to be updated as the project progresses," Mr MacDonald said.

For more information about the upgrade visit <u>rms.nsw.gov.au/projects/central-coast/pacific-highway/wyong-road-intersection-upgrade/index.html</u>



\$170 million Brisbane Water Drive upgrade is now complete.





Empire Bay Drive at The Scenic Road, Kincumber intersection upgrade - revised preferred option being investigated

Central Coast Regional Plan 2036.

The Central Coast has outstanding natural assets, enjoys proximity to the Hunter and Sydney and has an enviable lifestyle. It continues to be a very attractive region to live and work. The Central Coast is expected to have a population of 415,000 in 2036. Managing the growth and change in the region over the next 20 years so it remains a great place to live is the impetus behind the Central Coast Regional Plan 2036 – a 20-year blueprint for the future.

The Plan responds to wide-ranging community and stakeholder consultation with a plan to deliver more local jobs, greater housing diversity, livelier urban centres with more varied retail, cafes and entertainment, efficient public transport and a protected natural environment.

It promotes the renewal of Gosford, Wyong and other local centres, investment in the growth corridors between Somersby and Erina and Tuggerah and Warnervale. The Plan supports the strong agricultural sector and resource lands to help build economic opportunity and increase local jobs.



More housing and a greater variety of housing are proposed in Gosford City Centre, the growth corridors, local centres across the region and in the new Warnervale-Wadalba land release areas. A vibrant new town centre is planned for Warnervale, as well as the revitalisation of the Wyong, Tuggerah and Erina centres.

Protecting and connecting important natural areas will safeguard the environment and the important connections that residents have to it.

Improvements to public transport are foreshadowed to make it easier for residents, business and visitors to connect with jobs, centres and natural areas within the region and between the Central Coast and other regions. Cycling and walking paths will also be enhanced.

The Central Coast Regional Plan 2036 encompasses a vision for the future of a healthy natural environment, a flourishing economy and well-connected communities and it outlines the actions, the timeframe and the accountabilities for achieving it. I urge everyone who cares about the Central Coast to get behind it.

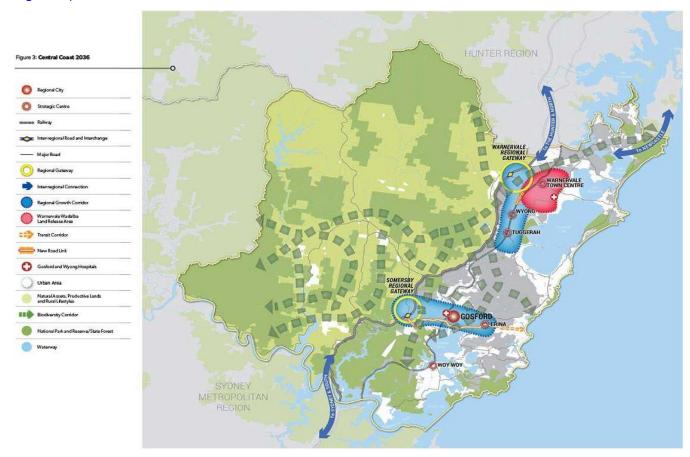
We recognise the Darkinjung and the Kuring-Gai are the original owners of the land. They are important partners in protecting the Aboriginal heritage, environment and economic opportunities on their lands.

Scot MacDonald MLC

Parliamentary Secretary for the Central Coast

Source: Planning & Environment NSW Government website

http://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Central-Coast/Central-Coast-regional-plan/Vision





Source: Central Coast Council website

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Source: Central Coast Council website

2016

Central Coast Snapshot

75,500 more people by 2036

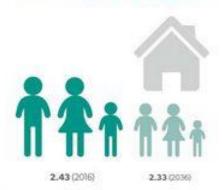
2036

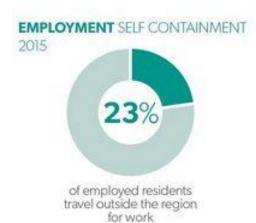


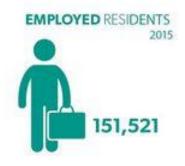
NUMBER OF **DWELLINGS**



AVERAGE HOUSEHOLD SIZE









Population & Economic Profile

population forecast





Share



This forecast has been updated with 2016 Census dwelling counts and the 2016 Estimated Resident Population. More information can be found here.



Downloads

Reports

Data exporter

Supporting informa

Supporting information

About the forecasts –
Forecast methodology –
Site map

Sign in Training videos

Other resources

Nat'l Demographic Indicators Nat'l Economic Indicators Resource centre Blog

Welcome to the Central Coast Council area population forecasts

The Central Coast Council area population forecast for 2018 is 342,548, and is forecast to grow to 414,615 by 2036.

"

Export

The Central Coast Council area population and household forecasts present what is driving population change in the community and how the population, age structure and household types will change each year between 2016 and 2036.

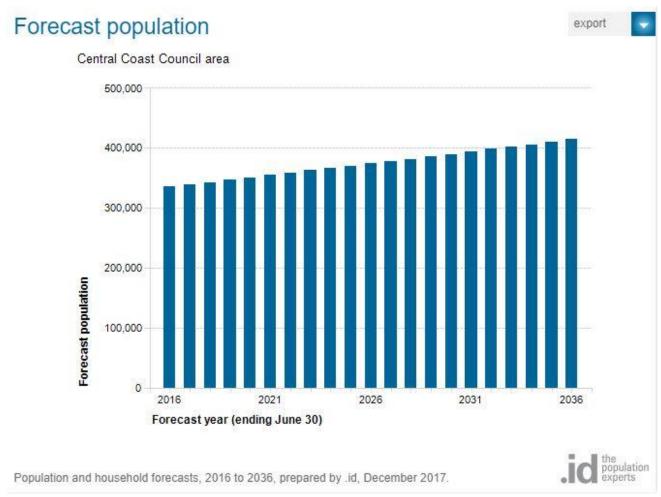
The forecasts are designed to provide community groups, Council, investors, business, students and the general public with knowledge to make confident decisions about the future.

These forecasts were last updated in December 2017 by .id, the population experts, on behalf of the Central Coast Council area. Forecasts are available for each year from 2016 to 2036.

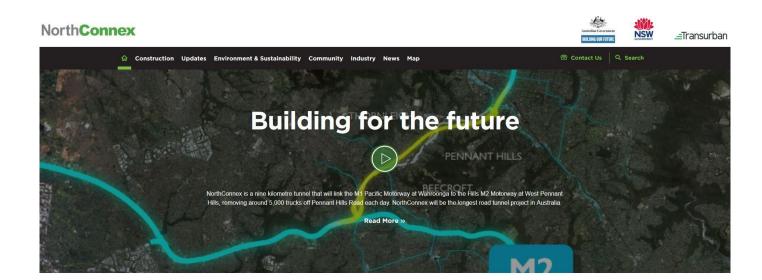


Click the image to view

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Wyong LGA population forecast





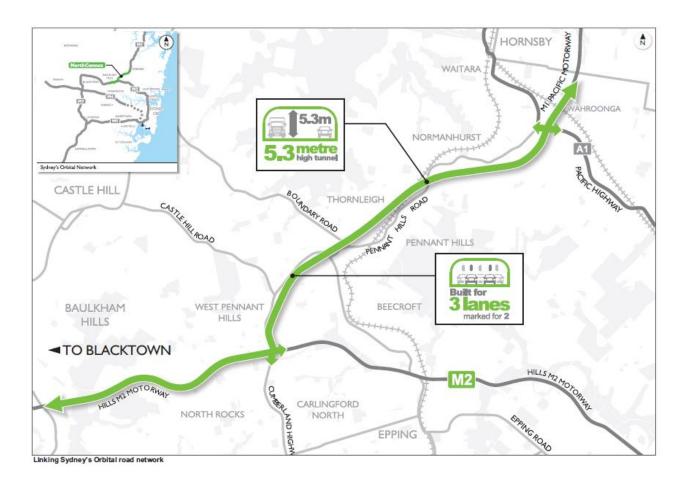


Completion 2019

Source: RMS website







NorthConnex Map - Source: Transurban

It is expected that the tunnel would cost \$3 Billion.

NorthConnex is scheduled to open to traffic as a two-lane underground motorway in 2019.

Key Benefits of the NorthConnex Project:

- 9km of Tunnel linking the M1 Pacific Motorway & the M2 Hills Motorway
- No traffic lights between Newcastle & Melbourne
- Bypass up to 21 sets of traffic lights
- Deliver improved air quality to local residents
- Tunnel height of 5.3m
- Returning local streets to local communities
- Providing opportunities for improved public transport
- 8,700 Jobs for NSW
- Built for 3 lanes but marked for 2 lanes upon opening
- Improve the efficient movement of state & national freight
- Better & more reliable trips for people, businesses & freight
- Avoid 40 sets of traffic lights on Pacific Highway to Sydney CBD
- Up to 5,000 trucks off Pennant Hills Road
- A time saving of up to 15 minutes



Ray Williams MP

Member for Hawkesbury
Parliamentary Secretary for Transport and Roads

MEDIA RELEASE

9 February 2015

CENTRAL COAST JOBS TO BE SUPPORTED BY NORTHCONNEX

Parliamentary Secretary for Transport and Roads Ray Williams MP today described the start of work on the \$3 billion NorthConnex project as a historic day for the Central Coast.

NorthConnex will link the M1 Pacific Motorway at Wahroonga to the M2 Motorway at West Pennant Hills.

"NorthConnex will transform travel between the Central Coast and Sydney and will come with economic benefits for communities of the Central Coast," Mr Williams said.

"Central Coast businesses are amongst those expected to benefit from the 8,700 jobs to be created directly and indirectly by the project.

"A local business register will be established so those businesses interested in engaging with the project can identify their interest as the project progresses.

"I'm delighted that work has begun on the project, with the NSW and Federal Governments marking the first sod turning with the proponents Transurban and the Westlink M7 shareholders yesterday.

"The NSW Liberals & Nationals are a government of their word. Before we came into office, during the 2011 election campaign we promised to start one of Sydney's missing links.

"Well here are two started and we're not done yet, NorthConnex is the second missing link to be started by this government, the M5 West widening was the first.

"NorthConnex will operate in line with world's best practice and comes with unprecedented air quality safeguards for any tunnel project in NSW."

"A dedicated environmental management plan will be in place for when major tunnelling work is ready to begin later this year however construction will happen under strict conditions on hours of operation and noise.

The twin nine kilometre tunnels running under Pennant Hills Road will save motorists 15 minutes of travel time compared to Pennant Hills Road, bypassing 21 sets of traffic lights and providing an alternative route to the Pacific Highway.

For more information visit NorthConnex.com.au

Media contact Marie Scoutas 0467 739 976



Sale Process

Raine&Horne Commercial have been appointed exclusive selling agents to offer 13 Kerta Rd, Kincumber for sale by way of Public Auction. All enquiries, requests for inspections in relation to the property are to be directed to myself, Ben Purdue of Raine&Horne Commercial.

Yours sincerely



Ben Purdue Commercial Sales & Leasing Business Broker ben@rhcoastal.com D+ 61 (02) 4365 0645 M 0450 719 600





Disclaimer

Raine and Horne Commercial for themselves and the proprietors of this property, give notice that:

- i. The particulars are set out as a general outline only for the guidance of Purchasers and do not constitute an offer or contract;
- ii. All descriptions, dimensions, references to conditions and necessary permissions for use and occupation and other details are given in good faith and any intending occupiers should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them.
- iii. No Person in the employ of Raine and Horne Commercial has any authority to make or give any representation or warranty whatsoever in relation to this property.
- iv. Prior to making any decisions in relation to the purchase of anything set out in this information memorandum, all persons reading this information memorandum should undertake proper enquiries and conduct due diligence. It is important that those persons who are not experienced in the practice of due diligence engage professional persons such as accountants, legal representatives or financial advisors to undertake this task.

The information contained in this submission has been based on information provided by vendors or their representatives, and what has been obtained from independent sources. Raine and Horne Commercial does not guarantee the accuracy or substantiate the claims made by these sources.

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Zoning

Zone IN 1 General Industrial

1 Objectives of zone

- To provide a wide range of industrial and warehouse land uses.
- To encourage employment opportunities.
- To minimise any adverse effect of industry on other land uses.
- To support and protect industrial land for industrial uses.
- To promote ecologically, socially and economically sustainable development.
- To ensure that retail, commercial or service land uses in industrial areas are of an ancillary nature.
- To ensure that development is compatible with the desired future character of the zone.

2 Permitted without consent

Recreation areas

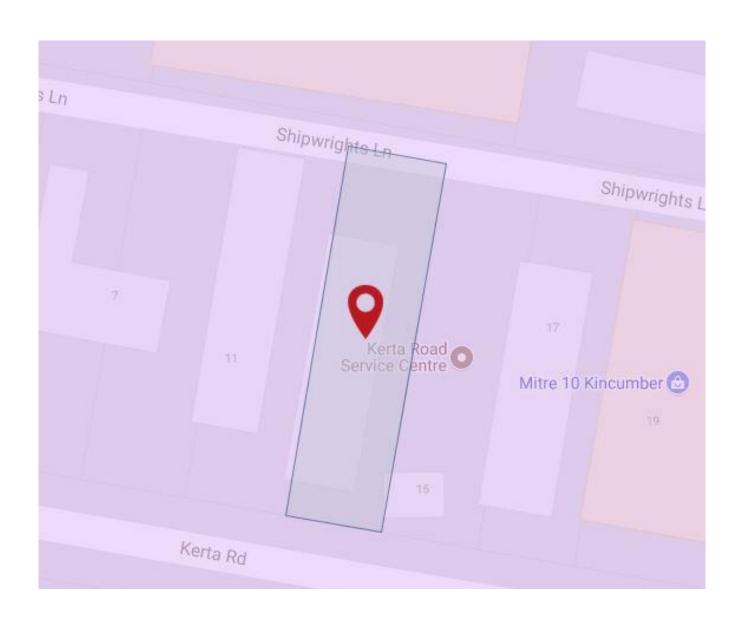
3 Permitted with consent

Depots; Freight transport facilities; Garden centres; General industries; Hardware and building supplies; Industrial training facilities; Landscaping material supplies; Light industries; Neighbourhood shops; Places of public worship; Restaurants or cafes; Roads; Rural supplies; Timber yards; Vehicle sales or hire premises; Warehouse or distribution centres; Any other development not specified in item 2 or 4

4 Prohibited

Amusement centres; Boat building and repair facilities; Boat sheds; Camping grounds; Car parks; Caravan parks; Cemeteries; Charter and tourism boating facilities; Commercial premises; Correctional centres; Crematoria; Eco-tourist facilities; Entertainment facilities; Environmental facilities; Environmental protection works; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Flood mitigation works; Forestry; Health services facilities; Heavy industrial storage establishments; Highway service centres; Home-based child care; Home businesses; Home occupations; Home occupations (sex services); Information and education facilities; Marinas; Mooring pens; Moorings; Mortuaries; Open cut mining; Public administration buildings; Recreation facilities (major); Research stations; Residential accommodation; Restricted premises; Tourist and visitor accommodation; Water recreation structures; Water supply systems

Raine&Horne. Commercial





Contact Us

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