



DHA Valuation Instructions

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Valuation Group 1

Valuations instruction

Defence Housing Australia is preparing a strategic business case and requires valuation type 1, Market value to include:

- Capital (Improvement + Land)
- If no improvement LAND ONLY
- Rental
- Replacement ONLY if improvement exists

Considerations / attachments

Tenderers are required to take into consideration the current amenities

Valuation methodology

In undertaking the valuation, one or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value in accordance with the IVS Framework.

Defence Housing Australia requires the tenderers to provide the following:

- Full details of calculations performed and the rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- The valuation methodology used, such as discounted cash flow, capitalisation of net income, comparable sales, summation technique etc. should be clearly specified.
- In using these valuation techniques, details should be provided (where appropriate) of: GST on materials, supplies and revenues, or the GST liability on the sale of property;
- Where employed, the Direct Comparison method a minimum of five (5) comparable sales and five (5) comparable rentals must be analysed. Sales/Rental evidence to be less than 6 months old, Sales/Rental evidence to be located in the same suburb, Comparable to the subject in amenity, Comparable to the subject in age, The Sales/Rental evidence should be compared to the subject in the valuers notes and include internal and external areas within the comparable table within the report.
- ALSO NOTE - Sales where Defence Housing Australia is the new purchaser and or seller are not to be used for comparison.
- If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed.

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for on each of their comparable sales/ rental within the report.

| | | | |
|---------------------------------------|--------------------|-------------------|--------------------|
| Detached houses and apartments | | | |
| Living area | Smaller | Comparable | Larger |
| Construction year | Older | Comparable | Newer |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Ground improvements | Inferior | Comparable | Superior |
| Profile / presentation | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Additional carports/garages | Yes | No | |
| Overall | Inferior | Comparable | Superior |
| Valcant Land | | | |
| Topography | Steep | Comparable | Flat |
| Street level | Below street level | Level with street | Above street level |
| Shape | Inferior | Comparable | Superior |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Overall | Inferior | Comparable | Superior |

Valuation Report Format

The valuation report is to comply with API standards

Timeframe

Tenderers are required to ensure the report is finalised and return within the agreed timeframes

Inspection Type

Internal / External / Desktop

Valuation Group 1A

Valuations instruction

Defence Housing Australia is preparing a strategic business case and requires valuation **type 1A, Market value to include:**

- Capital (Improvement + Land)
- Rental
- Replacement

Considerations / attachments

Tenderers are required to take into consideration the attached Specifications List / Hypothetical Floor plans assuming all works will be completed and development consent is forthcoming without unduly onerous terms and conditions **“AS IF” completed**

Valuation methodology

In undertaking the valuation, one or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value in accordance with the IVS Framework.

Defence Housing Australia requires the tenderers to provide the following:

- Full details of calculations performed and the rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- The valuation methodology used, such as discounted cash flow, capitalisation of net income, comparable sales, summation technique etc. should be clearly specified.
- In using these valuation techniques, details should be provided (where appropriate) of: GST on materials, supplies and revenues, or the GST liability on the sale of property;
- Where employed, the Direct Comparison method a minimum of five (5) comparable sales and five (5) comparable rentals must be analysed. Sales/Rental evidence to be less than 6 months old, Sales/Rental evidence to be located in the same suburb, Comparable to the subject in amenity, Comparable to the subject in age, The Sales/Rental evidence should be compared to the subject in the valuers notes and include internal and external areas within the comparable table within the report.
- ALSO NOTE - Sales where Defence Housing Australia is the new purchaser and or seller are not to be used for comparison.
- If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed.

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for on each of their comparable sales/ rental within the report

| | | | |
|---------------------------------------|--------------------|-------------------|--------------------|
| Detached houses and apartments | | | |
| Living area | Smaller | Comparable | Larger |
| Construction year | Older | Comparable | Newer |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Ground improvements | Inferior | Comparable | Superior |
| Profile / presentation | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Additional carports/garages | Yes | No | |
| Overall | Inferior | Comparable | Superior |
| Valcant Land | | | |
| Topography | Steep | Comparable | Flat |
| Street level | Below street level | Level with street | Above street level |
| Shape | Inferior | Comparable | Superior |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Overall | Inferior | Comparable | Superior |

Valuation report format

The valuation report is to comply with API standards

Timeframe

Tenderers are required to ensure the report is finalised and return within the agreed timeframes

Inspection type

Internal / External / Desktop

Valuation Group 1B

Valuations instruction

Defence Housing Australia is preparing a strategic business case and requires valuation type 1B, Market value to include:

- Capital (Improvement + Land) "AS IF" & "AS IS"
- Rental "AS IF" & "AS IS"
- Replacement

Considerations / attachments

Tenderers are required to take into consideration the attached Specifications List / assuming all works will be completed and development consent is forthcoming without unduly onerous terms and conditions "AS IF" completed . In addition provide a market value excluding the Hypothetical upgrades "AS IS"

Valuation methodology

In undertaking the valuation, one or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value in accordance with the IVS Framework:

Defence Housing Australia requires the tenderers to provide the following:

- Full details of calculations performed and the rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- The valuation methodology used, such as discounted cash flow, capitalisation of net income, comparable sales, summation technique etc. should be clearly specified.
- In using these valuation techniques, details should be provided (where appropriate) of: GST on materials, supplies and revenues, or the GST liability on the sale of property;
- Where employed, the Direct Comparison method a minimum of five (5) comparable sales and five (5) comparable rentals must be analysed. Sales/Rental evidence to be less than 6 months old, Sales/Rental evidence to be located in the same suburb, Comparable to the subject in amenity, Comparable to the subject in age, The Sales/Rental evidence should be compared to the subject in the valuers notes and include internal and external areas within the comparable table within the report.
- ALSO NOTE - Sales where Defence Housing Australia is the new purchaser and or seller are not to be used for comparison.
- If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed.

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for on each of their comparable sales/ rental within the report.

| | | | |
|---------------------------------------|--------------------|-------------------|--------------------|
| Detached houses and apartments | | | |
| Living area | Smaller | Comparable | Larger |
| Construction year | Older | Comparable | Newer |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Ground improvements | Inferior | Comparable | Superior |
| Profile / presentation | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Additional carports/garages | Yes | No | |
| Overall | Inferior | Comparable | Superior |
| | | | |
| Valcant Land | | | |
| Topography | Steep | Comparable | Flat |
| Street level | Below street level | Level with street | Above street level |
| Shape | Inferior | Comparable | Superior |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Overall | Inferior | Comparable | Superior |

Valuation report format

The valuation report is to comply with API standards

Timeframe

Tenderers are required to ensure the report is finalised and return within the agreed timeframes

Inspection type

Internal / External / Desktop

Valuation Group 2

Valuations instruction

Defence Housing Australia is preparing a strategic business case and requires valuation type 2, Market value to include:

- Capital (Improvement + Land)
- Replacement

Considerations / attachments

Tenderers are required to take into consideration the current amenities.

Valuation methodology

In undertaking the valuation, one or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value in accordance with the IVS Framework.

Defence Housing Australia requires the tenderers to provide the following:

- Full details of calculations performed and the rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- The valuation methodology used, such as discounted cash flow, capitalisation of net income, comparable sales, summation technique etc. should be clearly specified.
- In using these valuation techniques, details should be provided (where appropriate) of: GST on materials, supplies and revenues, or the GST liability on the sale of property;
- Where employed, the Direct Comparison method a minimum of five (5) comparable sales must be analysed. Sales/Rental evidence to be less than 6 months old, Sales evidence to be located in the same suburb, Comparable to the subject in amenity, Comparable to the subject in age, The Sales evidence should be compared to the subject in the valuers notes and include internal and external areas within the comparable table within the report.
- ALSO NOTE - Sales where Defence Housing Australia is the new purchaser and or seller are not to be used for comparison.
- If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed.

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for on each of their comparable sales/ rental within the report.

| | | | |
|---------------------------------------|--------------------|-------------------|--------------------|
| Detached houses and apartments | | | |
| Living area | Smaller | Comparable | Larger |
| Construction year | Older | Comparable | Newer |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Ground improvements | Inferior | Comparable | Superior |
| Profile / presentation | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Additional carports/garages | Yes | No | |
| Overall | Inferior | Comparable | Superior |
| Valcant Land | | | |
| Topography | Steep | Comparable | Flat |
| Street level | Below street level | Level with street | Above street level |
| Shape | Inferior | Comparable | Superior |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Overall | Inferior | Comparable | Superior |

Valuation Report Format

The valuation report is to comply with API standards

Timeframe

Tenderers are required to ensure the report is finalised and return within the agreed timeframes

Inspection Type

Internal / External / Desktop

Valuation Group 3

Valuations instruction

Defence Housing Australia is preparing a strategic business case and requires valuation type 3, Market value to include:

- Rental
- Rental Range

Considerations / attachments

Tenderers are required to take into consideration the current amenities.

Valuation methodology

In undertaking the valuation, one or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value in accordance with the IVS Framework:

Defence Housing Australia requires the tenderers to provide the following:

- Provide full details of calculations performed and the rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- The valuation methodology used, such as discounted cash flow, capitalisation of net income, comparable sales, summation technique etc. should be clearly specified.
- In using these valuation techniques, details should be provided (where appropriate) of: GST on materials, supplies and revenues, or the GST liability on the sale of property;
- Where employed, the Direct Comparison method a minimum of five (5) comparable rentals must be analysed. Rental evidence to be less than 6 months old, Rental evidence to be located in the same suburb, Comparable to the subject in amenity, Comparable to the subject in age, The Rental evidence should be compared to the subject in the valuers notes and include internal and external areas within the comparable table within the report.
- ALSO NOTE - Rental where Defence Housing Australia is the new purchaser and or seller is not to be used for comparison.
- If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed.

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for on each of their comparable sales/ rental within the report.

| | | | |
|---------------------------------------|--------------------|-------------------|--------------------|
| Detached houses and apartments | | | |
| Living area | Smaller | Comparable | Larger |
| Construction year | Older | Comparable | Newer |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Ground improvements | Inferior | Comparable | Superior |
| Profile / presentation | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Additional carports/garages | Yes | No | |
| Overall | Inferior | Comparable | Superior |
| Valcant Land | | | |
| Topography | Steep | Comparable | Flat |
| Street level | Below street level | Level with street | Above street level |
| Shape | Inferior | Comparable | Superior |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Overall | Inferior | Comparable | Superior |

Valuation report format

The valuation report is to comply with API standards

Timeframe

Tenderers are required to ensure the report is finalised and return within the agreed timeframes

Inspection Type

Internal / External / Desktop

Valuation Group 3A

Valuations instruction

Defence Housing Australia is preparing a strategic business case and requires valuation type 3A, Market value to include:

- Rental
- Rental Range

Considerations / attachments

Tenderers are required to take into consideration the attached Specifications List / Hypothetical Floor plans assuming all works will be completed and development consent is forthcoming without unduly onerous terms and conditions "AS IF" completed

Valuation methodology

In undertaking the valuation, one or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value in accordance with the IVS Framework:

Defence Housing Australia requires the tenderers to provide the following:

- Provide full details of calculations performed and the rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- The valuation methodology used, such as discounted cash flow, capitalisation of net income, comparable sales, summation technique etc. should be clearly specified.
- In using these valuation techniques, details should be provided (where appropriate) of: GST on materials, supplies and revenues, or the GST liability on the sale of property;
- Where employed, the Direct Comparison method a minimum of five (5) comparable rentals must be analysed. Rental evidence to be less than 6 months old, Rental evidence to be located in the same suburb, Comparable to the subject in amenity, Comparable to the subject in age, The Rental evidence should be compared to the subject in the valuers notes and include internal and external areas within the comparable table within the report.
- ALSO NOTE - Rental where Defence Housing Australia is the new purchaser and or seller are not to be used for comparison.
- If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed.

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for on each of their comparable sales/ rental within the report.

| | | | |
|---------------------------------------|--------------------|-------------------|--------------------|
| Detached houses and apartments | | | |
| Living area | Smaller | Comparable | Larger |
| Construction year | Older | Comparable | Newer |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Ground improvements | Inferior | Comparable | Superior |
| Profile / presentation | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Additional carports/garages | Yes | No | |
| Overall | Inferior | Comparable | Superior |
| | | | |
| Valcant Land | | | |
| Topography | Steep | Comparable | Flat |
| Street level | Below street level | Level with street | Above street level |
| Shape | Inferior | Comparable | Superior |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Overall | Inferior | Comparable | Superior |

Valuation report format

The valuation report is to comply with API standards

Timeframe

Tenderers are required to ensure the report is finalised and return within the agreed timeframes

Inspection type

Internal / External / Desktop

Valuation Group 3B

Valuations instruction

Defence Housing Australia is preparing a strategic business case and requires valuation type 3B Market value to include:

- Rental
- Rental Range "AS IF" & "AS IS"

Considerations / attachments

Tenderers are required to take into consideration the attached Specifications List / assuming all works will be completed "AS IF" In addition provide a market value excluding the Hypothetical upgrades "AS IS"

Valuation methodology

In undertaking the valuation, one or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value in accordance with the IVS Framework.

Defence Housing Australia requires the tenderers to provide the following:

- Provide full details of calculations performed and the rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- The valuation methodology used, such as discounted cash flow, capitalisation of net income, comparable sales, summation technique etc. should be clearly specified.
- In using these valuation techniques, details should be provided (where appropriate) of: GST on materials, supplies and revenues, or the GST liability on the sale of property;
- Where employed, the Direct Comparison method a minimum of five (5) comparable rentals must be analysed. Rental evidence to be less than 6 months old, Rental evidence to be located in the same suburb, Comparable to the subject in amenity, Comparable to the subject in age, The Rental evidence should be compared to the subject in the valuers notes and include internal and external areas within the comparable table within the report.
- ALSO NOTE - Rental where Defence Housing Australia is the new purchaser and or seller are not to be used for comparison.
- If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed.

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for on each of their comparable sales/ rental within the report.

| | | | |
|---------------------------------------|--------------------|-------------------|--------------------|
| Detached houses and apartments | | | |
| Living area | Smaller | Comparable | Larger |
| Construction year | Older | Comparable | Newer |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Ground improvements | Inferior | Comparable | Superior |
| Profile / presentation | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Additional carports/garages | Yes | No | |
| Overall | Inferior | Comparable | Superior |
| | | | |
| Valcant Land | | | |
| Topography | Steep | Comparable | Flat |
| Street level | Below street level | Level with street | Above street level |
| Shape | Inferior | Comparable | Superior |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Overall | Inferior | Comparable | Superior |

Valuation report format

The valuation report is to comply with API standards

Timeframe

Tenderers are required to ensure the report is finalised and return within the agreed timeframes

Inspection type

Internal / External / Desktop

Valuation Group 4

Valuations instruction

Defence Housing Australia is preparing a strategic business case and requires valuation **type 4, Market value to include:**

- Capital (Improvement + Land)
- Rental
- Replacement

Considerations / attachments

Tenderers are required to take into consideration the attached Specifications List / Hypothetical Floor plans assuming all works will be completed and development consent is forthcoming without unduly onerous terms and conditions "AS IF" completed

Valuation methodology

In undertaking the valuation, one or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value in accordance with the IVS Framework:

Defence Housing Australia requires the tenderers to provide the following:

- Provide full details of calculations performed and the rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- The valuation methodology used, such as discounted cash flow, capitalisation of net income, comparable sales, summation technique etc. should be clearly specified.
- In using these valuation techniques, details should be provided (where appropriate) of: GST on materials, supplies and revenues, or the GST liability on the sale of property;
- Where employed, the Direct Comparison method a minimum of five (5) comparable sales and five (5) comparable rentals must be analysed. Sales/Rental evidence to be less than 6 months old, Sales/Rental evidence to be located in the same suburb, Comparable to the subject in amenity, Comparable to the subject in age, The Sales/Rental evidence should be compared to the subject in the valuers notes and include internal and external areas within the comparable table within the report.
- ALSO NOTE - Rental where Defence Housing Australia is the new purchaser and or seller are not to be used for comparison.
- If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed.

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for on each of their comparable sales/ rental within the report.

| | | | |
|---------------------------------------|--------------------|-------------------|--------------------|
| Detached houses and apartments | | | |
| Living area | Smaller | Comparable | Larger |
| Construction year | Older | Comparable | Newer |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Ground improvements | Inferior | Comparable | Superior |
| Profile / presentation | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Additional carports/garages | Yes | No | |
| Overall | Inferior | Comparable | Superior |
| | | | |
| Valcant Land | | | |
| Topography | Steep | Comparable | Flat |
| Street level | Below street level | Level with street | Above street level |
| Shape | Inferior | Comparable | Superior |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Overall | Inferior | Comparable | Superior |

Valuation report format

The valuation report is to comply with API standards

Timeframe

Tenderers are required to ensure the report is finalised and return within the agreed timeframes

Inspection type

Internal / External / Desktop

Valuation Group 5 - Whole sale - market value to include

Valuations instruction

Defence Housing Australia is preparing a strategic business case for the Acquisition of completed dwellings. The valuation will be undertaken for Defence Housing Australia to assess the:

Individual "AS IF" Market and Rental Value: Fully constructed dwellings i.e. Turn key House & Land including DHA and Developer inclusions as per attached plans on following lots.

Bulk "AS IF" Market Value for a single transaction.

Valuation package

The Valuation Package is attached to these Valuation Instructions and includes the following documents:

- Site Plan
- Individual Floor Plans including dimensions and elevations
- Specification lists highlighting both DHA and Developer inclusions for completed dwellings
- Subdivision Plan
- Information Memorandum for subject site

Valuation report

The valuation report is to include commentary on but not be limited to the following:

Summary of the valuation

The valuation should include an executive summary, detailing the essential information contained in the report, such as the valuation figure and conditions and assumptions upon which the valuation is based.

Location

Defence Housing Australia requires the tenderers to provide the following:

- Comments on the particular location of the property, including its appropriateness for the proposed use.
- A description of the general age and quality of surrounding properties and the status of the locality.
- Comments on existing and potential uses for the property and its surroundings. Zoning and land use should be confirmed to ensure that current or proposed uses comply with consent conditions. Copy certificates should be supplied.
- A description of the property's proximity to local facilities, amenities and services.
- Comments on any general trends within the surrounding area i.e., population growth, traffic flows, transport adequacy, etc.
- Details of current and previous usage of the site to be identified.

Site and title details

Defence Housing Australia requires the tenderers to provide the following:

- The full address and title reference of the property with comments on the size, shape and dimensions of the land concerned. A fresh title search should be supplied with the report. The physical characteristics of the land should also be reported.
- The name of the registered proprietor.
- The identification and reporting of title encumbrances such as easements, covenants, rights of carriageway and where applicable, their affect on value. Any registered interest on the title must be reported.
- The identification and reporting of any outstanding statutory orders or the possibility of future orders being imposed.

Environmental

The valuation should be undertaken on the basis that the necessary written environmental approvals have been obtained by the Environment Protection Authority (i.e. written approval that the site has been remediated to a standard that is suitable for residential urban development).

Planning and land use

Defence Housing Australia requires the tenderers to provide the following:

- A description of any improvements and the suitability of the present / proposed usage.
- An opinion as to whether the existing improvements provide the development with functional utility or otherwise.
- Commentary that the improvements are correctly located on title or otherwise.
- Comments on the services connected or available to the property and the adequacy of supply.
- Comments on any adverse features of the property.

Market commentary

In relation to the property the valuation report should provide commentary on:

- National, State and local economic and demographic characteristics and trends and the likely impacts on the subject property;
- Existing and possible future market demand, supply and competition; and
- Comments on the existing market and possible future demand for the property. Selling rates and assumptions should be well explained.
- Advice on the level of current and future competition in the market for the sale of the property.

Valuation Methodology

In undertaking the valuation you respond to the above sections and requirements outlined within.

Defence Housing Australia requires the tenderers to provide the following:

- Provide full details of calculations performed and the rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- The valuation methodology used, such as discounted cash flow, capitalisation of net income, comparable sales, summation technique etc. should be clearly specified.
- In using these valuation techniques, details should be provided (where appropriate) of: GST on materials, supplies and revenues, or the GST liability on the sale of property;
- Where employed, the capitalisation rate adopted and comparison to recent sales of similar properties and resultant market yields;
- List Evidence of comparable sales for both: **Vacant land holdings, Completed dwellings both Sales and Rental**
- Outline full details of any assumptions;
- Detailed sales evidence from comparable properties to support the revenue and sales rate assumptions adopted.
- Provide a market summary and comment
- Comments on the rent per week for each dwelling;

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for on each of their comparable sales/ rental within the report.

| | | | |
|---------------------------------------|--------------------|-------------------|--------------------|
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| Living area | Smaller | Comparable | Larger |
| Construction year | Older | Comparable | Newer |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Ground improvements | Inferior | Comparable | Superior |
| Profile / presentation | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Additional carports/garages | Yes | No | |
| Overall | Inferior | Comparable | Superior |
| | | | |
| Vacant Land | | | |
| Topography | Steep | Comparable | Flat |
| Street level | Below street level | Level with street | Above street level |
| Shape | Inferior | Comparable | Superior |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Overall | Inferior | Comparable | Superior |

Valuation Group 6 - Greenfield

Valuations instruction

Defence Housing Australia is preparing a strategic business case for the development / Acquisition for Defence housing. The valuation will be undertaken for Defence Housing Australia to assess the:

Purpose of valuation

1. Market value of the freehold interest.
2. Assume the highest and best use for the property in accordance with the development concept provided by DHA, assuming development consent is forthcoming without unduly onerous terms and conditions and adopting development costs provided by DHA.
3. On completion valuation for each of the allotments, as per the development concept.
4. Market value of both (the individual lots and the designated super lots) from both a land only and house and land package perspective.

Valuation package

The Valuation Package is attached to these Valuation Instructions and includes the following documents:

1. Copy of the development approval and any further approvals obtained to date (Building / operational works, etc.). If building / operational works approvals are not yet obtained please advise of anticipated timeframes to obtain these;
2. Full copy of approved plans detailing individual unit area breakdowns, total GFA and external (Balconies, patios, etc.) areas;
3. Schedule of construction items, internal finishes / fixtures and external amenities (pools, landscaping, etc.);
4. Copy of Quantity Surveyor report and / or construction contract including anticipated construction timeframe;
5. Full schedule of all other development cost (consultants, council charges, marketing, etc.);
6. Copy of current Rates Notices
7. Copy of Land Tax assessment notice;
8. Details of any presales
9. Full contract (for Land) if applicable
10. Full copy of the disclosure statement (if applicable) detailing body corporate, CMS and proposed survey plan;
11. Formal Site contamination or other Environmental Reports
12. Any other relevant information

Valuation report

The valuation report is to include commentary on but not be limited to the following:

Summary of the valuation

The valuation should include an executive summary, detailing the essential information contained in the report, such as the valuation figure and conditions and assumptions upon which the valuation is based.

Location

Defence Housing Australia requires the tenderers to provide the following:

- Comments on the particular location of the property, including its appropriateness for the proposed use.
- A description of the general age and quality of surrounding properties and the status of the locality.
- Comments on existing and potential uses for the property and its surroundings. Zoning and land use should be confirmed to ensure that current or proposed uses comply with consent conditions. Copy certificates should be supplied.
- A description of the property's proximity to local facilities, amenities and services.
- Comments on any general trends within the surrounding area ie., population growth, traffic flows, transport adequacy, etc.
- Details of current and previous usage of the site to be identified.

Site and title details

Defence Housing Australia requires the tenderers to provide the following:

- The full address and title reference of the property with comments on the size, shape and dimensions of the land concerned. A fresh title search should be supplied with the report. The physical characteristics of the land should also be reported.
- The name of the registered proprietor.

- The identification and reporting of title encumbrances such as easements, covenants, rights of carriageway and where applicable, their affect on value. Any registered interest on the title must be reported.
- The identification and reporting of any outstanding statutory orders or the possibility of future orders being imposed.
- Statutory assessments.

Environmental

The valuation should be undertaken on the basis that the necessary written environmental approvals have been obtained by the Environment Protection Authority (i.e. written approval that the site has been remediated to a standard that is suitable for residential urban development).

Planning and land use

Defence Housing Australia requires the tenderers to provide the following:

- A description of any improvements and the suitability of the present / proposed usage.
- An opinion as to whether the existing improvements provide the development with functional utility or otherwise.
- Commentary that the improvements are correctly located on title or otherwise.
- Comments on the services connected or available to the property and the adequacy of supply.
- Comments on any adverse features of the property.

Market commentary

In relation to the property the valuation report should provide commentary on:

- National, State and local economic and demographic characteristics and trends and the likely impacts on the subject property;
- existing and possible future market demand, supply and competition; and
- Comments on the existing market and possible future demand for the property. Selling rates and assumptions should be well explained. What category of buyer would be interested?
- Advice on the level of current and future competition in the market for the sale of the property.
- Future property trends should be commented upon including your opinion as to the ability of the property to hold or increase value over the next 2-3 year

Master plan development costings

The valuer should use the provided assessment of development costs which relate to the Development Plan concept.

Valuation methodology

In undertaking the valuation you respond to the above sections and requirements outlined within.

Defence Housing Australia requires the tenderers to provide the following:

- Provide full details of calculations performed and the rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- The valuation methodology used, such as discounted cash flow, capitalisation of net income, comparable sales, summation technique etc. should be clearly specified.
- In using these valuation techniques, details should be provided (where appropriate) of: GST on materials, supplies and revenues, or the GST liability on the sale of property.
- Where employed, the capitalisation rate adopted and comparison to recent sales of similar properties and resultant market yields.
- Evidence of comparable sales for both Englobo land holdings completed product, by name together with associated details utilised in adopting the capitalisation rate (if applicable).
- Outline full details of any assumptions.
- Detailed sales evidence from comparable properties to support the revenue and sales rate assumptions adopted. The valuation report should comment on the sustainability of the lot prices applied to the subject property in consideration of existing and likely future supply and demand conditions.
- Provide a market summary and comment on market take up.
- Comment on the rent per week for each dwelling.
- Be based upon the Development Plan contained in the Valuation Package.

Valuation Group 8 - Annual capital and rent revaluations

Valuations instruction

1. Background

The annual revaluation exercise is a critical and core function of DHA's property business. Market rents are utilised in contractual arrangements, classifying properties, charging clients, paying investors and assessing retention of stock. It is imperative that accurate and reliable rent information is obtained.

DHA requires tenderers to provide a Market Capital and Rent (house and land) and replacement valuation for internal reporting and to allow DHA to test for impairment as required by AASB 140 and AASB 102.

DHA requires an individual Rental Certificate for all properties.

Please note: all Valuations require a replacement value for insurance purposes.

2. DHA Online Services

Tenderers will be required to submit figures via DHA Online Services (www.dha.gov.au). This system allows:

- viewing of property information including floor plans and photos
- valuation requirements by company
- submission of valuation data

DHA can supply approved staff from your organisation with passwords to access this secure site. To arrange or modify access please contact nominated staff:

Throughout the process valuers requiring assistance with the web site are encouraged to contact the above for assistance.

3. Process

DHA will make available on DHA's online services a list of properties to be valued. The list cannot be considered to be final until October and thereafter there may be minor adjustments advised. Registered users can log into DHA Online Services and search for the list of properties requiring valuation by their company. Current Tenant contact details are displayed on the Property Details and are included in the property listing when it is exported to Excel.

95% of properties are tenanted. In accordance with your contract with DHA, valuers must give 72 hours notice to tenants prior to an inspection. Contact may be by telephone or by letter. Contact with tenants is expected to be courteous and discussion confined to matters pertinent to the valuation. Under no circumstances can inspections be conducted without prior appointment with the tenant.

In the event that a property is leased out through a real estate agent, DHA has listed the tenant contact but are able on request to advise the managing agents' details. The realised rent may be obtained from the agent and they may also be willing to provide rental evidence. Please note that this rent would be expected to represent a market rent at the time the property was leased out, but should not be assumed to be the market rent at the time of the revaluation.

A Letter of authorization will be provided to you and your contracted valuers. This letter, along with your business card, must be carried with you as proof of identification and shown to the tenant prior to accessing a property.

The local DHA Housing Management Centre (HMC) will provide assistance if a valuer has difficulty contacting a tenant to arrange an inspection.

4. Valuation Timeline

The completed valuation data is to be submitted to DHA. This may be done by electronically with all valuation requirements to be uploaded and approved by a registered valuer. Once this is completed a notification email is to be sent to annual@dha.gov.au Online entry can be done on a property by property basis or by bulk upload.

During the Internal Review process, the valuation officers will liaise between the HMC and the valuers to discuss any anomalies or concerns regarding rental movement.

DHA will advise when the internal review process is complete and valuers will be asked to confirm final online data or send final spreadsheet data signed by the director or principal. Please note that electronic signature is acceptable.

Individual Rental Certificates for all properties are to be sent to annual@dha.gov.au.

The one-page signed certificates are also to be sent as individual files on disc to:

Defence Housing Australia
Att: Valuation Team
26 Brisbane Ave
BARTON ACT 2600.

5. Valuation Requirements

Defence Housing Australia requires the tenderers to provide the following:

- 5.1. Assess the market rent and capital valuation for the property as at the review date (31 December).
- 5.2. The estimated amount for which the property should rent / capital value, as at the relevant date, between a willing lessor and a willing lessee in an arms length transaction, wherein the parties had each acted knowledgeably, prudently and without compulsion, having regard to the usual market terms and conditions for leases of similar premises.
- 5.3. No account is to be taken of any higher rent which might be paid by a tenant with a special interest, or any lower rent which might be acceptable to a landlord with a special interest.
- 5.4. Full consideration of any qualitative impacts involving fixtures, fittings, landscaping etc on the rental value to be taken into account.
- 5.5. Valuations **must** be completed in accordance with the deadline provided and preferably prior to the valuation deadline date. Where valuers judge that rents are increasing and that the trend will continue between the time when the valuation is submitted to DHA and the actual valuation date, then the valuations should as far as possible reflect the anticipated fair market rent as at the 31 December valuation date.
- 5.6. Where seasonal factors over the holiday period or wet season cause temporary local rent movements that do not reflect the medium to long-term rental market, any such factors should be disregarded.
- 5.7. All rental valuations are to be assessed as net of GST.
- 5.8. For strata title properties, assign the full valuation sum to the building value, with no apportionment to land.

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for on each of their comparable sales/ rental within the report.

| | | | |
|---------------------------------------|--------------------|-------------------|--------------------|
| Detached houses and apartments | | | |
| Living area | Smaller | Comparable | Larger |
| Construction year | Older | Comparable | Newer |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Ground improvements | Inferior | Comparable | Superior |
| Profile / presentation | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Additional carports/garages | Yes | No | |
| Overall | Inferior | Comparable | Superior |
| | | | |
| Vacant Land | | | |
| Topography | Steep | Comparable | Flat |
| Street level | Below street level | Level with street | Above street level |
| Shape | Inferior | Comparable | Superior |
| Location | Inferior | Comparable | Superior |
| Aspect | Inferior | Comparable | Superior |
| Land size | Smaller | Comparable | Larger |
| Overall | Inferior | Comparable | Superior |

6. Properties to be valued with vacant possession

- 6.1. As part of management function in its lease DHA is responsible for most normal maintenance on leased properties (other than rectification of structural defects and repairs covered by insurance or warranties). Therefore 'vacant possession' should be construed as the condition properties would be expected to be in at the commencement of the occupancy, with all normal cleaning, repairs and garden maintenance undertaken. No account should be taken of poor housekeeping or poor garden maintenance by occupants.
- 6.2. For normal repairs and maintenance the property should be valued as if the repairs have been undertaken. Structural defects severe enough to impact on the valuation should be discussed with the local HMC representative.
- 6.3. For rental valuations the properties are to be valued with vacant possession having regard to recent rents achieved for comparable properties in the open market
- 6.4. For capital valuations, properties are to be valued on a vacant possession basis, with no provision for the value of the lease.
- 6.5. DHA properties are not to be used as comparables.

7. Recognition of DHA inclusions

- 7.1. Investors leasing to DHA incur significant extra costs to set up properties to meet DHA's requirements in relation to such things as security screens and deadlocks, outdoor entertaining areas, insulation, waterproof storage, provision of phone points and TV antennae, additional cupboards, landscaping and the provision of quality heating and cooling.

In determining the rental valuations, valuers should take account of any extras included in DHA leased properties that are over and above inclusions generally provided in the rental market, especially in aggregate.

8. Inspections

- 8.1. Where possible each property is to be inspected by the valuation firm undertaking the valuation. If the valuer has previously inspected the property and has recorded a detailed description of the property, an internal inspection is not required, provided that the property has been inspected within the last 3 years. (I.e. a physical inspection must be undertaken at least every 3 years).
- 8.2. Where a property has not been inspected the valuer can rely on detailed inspection records from an inspection conducted within the previous 3 years and has checked the data held in the DHA Online database to ensure any improvements are taken into consideration.
- 8.3. If a property has been improved or upgraded DHA may require an inspection, irrespective of whether it has been inspected within the last 3 years.
- 8.4. If a valuer has not previously inspected a property and is unable to gain access for inspection he/she should advise the HMC Manager and request information on the property from the HMC. The basis for the valuation should be indicated in DHA's online services as an "External" inspection and advised to the Valuations Team.

9. Rental certificates for all properties

Defence Housing Australia requires the tenderers to provide the following:

- The rental certificate is required to include the rental valuation only.

The capital valuation is not to be included unless specified by Defence Housing Australia.

- The certificate shall include a comprehensive property description sufficient to satisfy a person reading the valuation that all relevant features of the property have been taken into account.
 - A list of achieved rentals in comparable properties (including a brief description of each) in support of the valuation. Ensure that comparisons are comparable (type, age and size of property). Also ensure that there are a number of balanced superior and inferior comparables. Comparable rental evidence is to be as recent as possible.
 - Any specific issues of relevance in relation to the valuation completed.
- 9.1. Rental Certificates **must be** saved **individually** by the Property ID (UPRN) provided by DHA, and **must be** PDF. Please note if certificates are submitted as multiples in one file DHA will not accept them.
 - 9.2. Please ensure that certificates have a blank background so as not to interfere with distribution processing.

10. Secondary review provisions

- 10.1. DHA's lease provides that lessors dissatisfied with their rental valuation may obtain their own valuation and invoke secondary review provisions. Where this occurs, the lease provides that the landlord and DHA will consult with the valuers to reach agreement as to the proper market rent for the property. DHA's approach to resolving secondary reviews is to consider the market evidence presented by both valuers and endeavours to reach an equitable outcome, rather than to defend the initial rental valuations. For practical purposes, DHA will follow the following course of action to resolve secondary reviews:
 - DHA's valuation officers, with the input of the DHA's representative at the local Housing Management Centre will review the lessor's valuation and forward it with any relevant comments to the valuer.
 - DHA will ask the valuers to review the evidence presented and where possible to reach a joint agreement on the final valuation. Where both valuers agree, DHA will accept the agreed valuation. It is expected that our valuers will provide a response within **10 working days** of any queries from the valuation officers or receipt of a lessor's valuation.
 - If after considering the evidence, the valuers cannot reach agreement, DHA's appointed valuer is to advise DHA's valuation officers in writing of the outcome of the discussions between valuers and make a recommendation to DHA on the basis of their assessment of the rental evidence presented.
 - DHA may then pursue negotiations with the lessor direct.
 - If no agreement can be reached within 30 days following receipt of the lessors valuation, both parties have the option of seeking determination from the President of the Australian Property Institute in the relevant state or territory.
 - If a case goes to determination DHA's valuer will be required to prepare a comprehensive submission to support the valuation assessed.
- 10.2. Note: While the process outlined above is time consuming, DHA's experience is that in most regions few lessors invoke the secondary review provisions. Ultimately, it can be expected that a thorough and accurate rental assessment will minimize the number of reviews sought.