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53918(V)

VALUATION REPORT

INSTRUCTED BY:

OLD BEGA HOSPITAL RESERVE TRUST
PO BOX 382
BEGA NSW 2550
ATTENTION: MR JAY ELLARD

PROPERTY:

OLD BEGA HOSPITAL & BUILDINGS
277 PRINCES HIGHWAY
BEGA NSW 2550

DATE OF VALUATION:

30TH MAY 2006

VALUATION:

1. \$965,000
2. (a) \$2,600,000
(b) \$705,000

Property: Old Bega Hospital, 277 Princes Highway, Bega NSW 2550

53918(V)

VALUATION REPORT

INSTRUCTED BY:

Old Bega Hospital Reserve Trust
PO Box 382
Bega NSW 2550
Attention: Mr Jay Ellard

Property: 277 Princes Highway Bega
Old Bega Hospital and Buildings

PURPOSE:

To assess the current replacement costs of the existing structure and buildings of the Old Bega Hospital and out buildings for insurance purposes.

**DEFINITION OF
MARKET VALUE:**

Market value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

DISCLAIMERS:

This valuation has been prepared on specific instructions from Old Bega Hospital Reserve Trust for the purpose stated above. The report is not to be relied upon by any person for any other purpose. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. We invite other parties who may come into possession of this report to seek written consent to them relying on this report. We reserve the right to withhold consent or to review the contents of this report in the event that our consent is sought.

This is a valuation report and not a structural survey in respect of the improvements on the subject property.

A visual site inspection has not revealed any obvious pollution or contamination. Nevertheless, I am not an expert in the detection of environmental problems and have not carried out such investigations. This valuation has been assessed on the basis of no onsite contamination.

Inspection of the improvements showed the use of asbestos products in the building. We must point out that we are not experts in this area and therefore, in the absence of an environmental consultant's report concerning the presence of any asbestos fibre within the subject property, this valuation is made on the assumption that there is no health risk from asbestos within the property. Should it subsequently transpire that an expert report establishes that there is an asbestos related health risk we reserve the right to review this valuation.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

DATE OF VALUATION: 30th May 2006.

LEGAL DESCRIPTION: The property is described as Lot 296 in Deposited Plan No.728021 Parish of Bega, Local Government Area of Bega Valley.

IMPROVEMENTS: There are five (5) notable separate buildings upon the site together with associated drainage works, landscaping and underground wells. These structures are described as the Main Building, the Nurses Quarters, the Laundry, the Surgery and the Morgue. The four (4) smaller buildings I will described first and conclude with the Main Building.

Nurses Quarters

The Nurses Quarters also known as the Old Maternity Ward was built in 1928 and comprises cavity brick construction with timber flooring throughout and galvanised iron roof. The brickwork is rendered and painted and ceilings appear to be fibro throughout. The building is divided into numerous smaller rooms and currently utilised having 2 separate tenancies sharing toilets, bathroom, located at the rear of the building but having individual basic kitchen facilities.

The building is complemented by an open verandah to 3 sides, rear storage and linen room. Overall the building appears sound with a typical 1920s style although of a lower standard of construction as compared to the main hospital building. It would benefit from some general maintenance overall, but is reasonably well presented particularly those areas maintained by the sitting tenants.

Laundry, Surgery & Morgue

The remaining outbuildings are of a more basic layout and of a lesser standard of construction. The Laundry and Surgery buildings are of full brick construction with galvanised iron roof and fibro ceilings atop a concrete slab (excepting the Surgery being of timber flooring). Each building comprises a large central room with smaller areas running off. The buildings appear sound and are well maintained.

The old Morgue building is a simple rectangular shaped structure again being full brick, with galvanised iron cladding atop a concrete slab.

Additional improvements upon the site include brick garden areas, underground wells, paling fencing and concrete post and timber lattice fencing, and traditional landscaping.

Buildings Areas

For the replacement cost assessment I have measured the buildings and utilised plans and the following outlines the approximate building sizes.

1.	Nurses Quarters -		
	Main Building	-	194m ²
	Open Verandah	-	110m ²
	Net area for cost assessment	-	230m ²
2.	The Laundry Building	-	124m ²
3.	The Surgery	-	64m ²
4.	The Morgue	-	23m ²

Main Hospital Building

Construction of the Old Bega Hospital commenced in 1880 and was opened in 1888. There were a number of additions shortly after until 3rd May 2004 when the Old Bega Hospital was gutted by fire. The hospital represented a typical Federation style public building which was home to a wide range of local Bega community groups.

The building was basically of full bonded brick construction with hardwood timber flooring throughout and a galvanised iron clad roof atop hardwood timber roof framing. The building is divided into a number of rooms/wards over a single level and features high 4 metre ceilings and internal walls being of similar brick construction with a painted rendered finish. The windows and doors were of timber and of a style of the day which included various wide architraves, skirtings and highlight windows throughout. The ceilings were of a mixture of fibrous plaster and fibro. Some of the many features included bay windows along the northern façade, numerous open fireplaces with high crick chimneys, and a variety of rooms included kitchen, ablution blocks and store rooms all interconnected by open verandahs at the rear. Further enclosed verandahs run along part of the northern façade.

As a result of the fire in May 2004 the major part of the central roofing, central flooring and associated fitout was destroyed leaving only the masonry walls, footings and fireplaces. Fortunately much of the verandah sections remain intact other than limited ember damage to floorboards and smoke and water damage to other areas.

My inspection of the main building indicated there are significant hurdles to overcome on the reconstruction of the building particularly given the Heritage nature of the building, sourcing materials and appropriately experienced tradespersons. Nevertheless, a good portion of the structure remains viable and the speedy construction of a roof would minimise further decay from the weather. I estimate that the existing structure represents approximately 25% of the fully constructed building and have provided by replacement cost figures on this basis.

The estimated replacement costs of the buildings as outlined below involves the construction of buildings which have the same functional use and same usable area as the old building, but is built in the modern idiom and, of necessity, conforming to all regulations, by-law, building codes which may have been adopted since the original construction.

Property: Old Bega Hospital, 277 Princes Highway, Bega NSW 2550

Insurance/Replacement Cost Calculations

Item 1: The Out Buildings (Inclusive of GST)

<i>Nurses Quarters</i>	
Net area as 230m ² @ \$1870/m ²	\$430,100
Fencing	\$ 2,500
<i>Laundry Building -124m² @ \$1210/m²</i>	\$150,040
<i>Surgery- 64m² @ \$1320/m²</i>	\$ 84,480
<i>Morgue - 22m² @ \$1650/m²</i>	\$ <u>36,300</u>
Sub Total	\$703,420
Plus	
Demolition and removal of debris @ 9%	\$ 63,308
Professional & Council fees @ 12%	\$ 84,410
Cost increases over period of insurance and lag time in rebuilding, 8% @ 2 years	\$ <u>112,547</u>
	\$963,685
Say:	\$965,000

Item 2: Main Hospital

Main Building	-	609m ²
Enclosed Verandahs	-	111m ²
Open Verandahs	-	101m ²
Net area for cost assessment purposes, say 700m ²		

1. **Full Building Replacement Cost (Inclusive of GST)**

700m ² @ \$2750/m ² =	\$1,925,000
Plus Demolition & removal of debris @ 7%	\$ 134,750
Professional & Council Fees @ 12%	\$ 231,000
Cost increases over the insured period and lag time in rebuilding say, 8% for 2 years	\$ <u>308,000</u>
	\$2,598,750
Say	\$2,600,000

Property: Old Bega Hospital, 277 Princes Highway, Bega NSW 2550

2. On an "As Is" Basis to Reflect the Existing Structure and Development Costs

Full Building 700m² @ \$2750/m² = \$1,925,000
Current Stage of Construction - Say 25% \$481,250

Plus

Demolition & Removal of Debris @ 7%
equivalent of 33% construction cost \$ 44,468

Professional & Council Fees on the full
development @ 12% equivalent of 33%
construction cost \$ 76,230

Cost increases over the insured period &
lag time in rebuilding @ 8% for 2 years
equivalent of 33% construction cost \$101,640

Say: \$703,588
\$705,000

VALUATION:

I therefore consider the replacement cost of the subject property at the date of assessment, 30th May 2006 to be:-

- | | |
|---|-------------|
| 1. Undamaged Out Buildings –
(Nurses Quarters, Laundry Building,
Surgery, Morgue) | \$ 965,000 |
| 2. | |
| (a) Main Hospital Building "As If Complete" – | \$2,600,000 |
| (b) Main Hospital Building "As Is" – | \$ 705,000 |

This valuation sum is inclusive of the GST.

I hereby certify that I have no vested or other interest in the subject property as either principal or agent.

I am a Certified Practising Valuer and Registered Valuer, without limitation, pursuant to the NSW Valuers Act 2003.



R GILLETT AAPI (CPV) & Econ
Registered Valuer No.3260

OLD BEGA HOSPITAL



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