

# **CHAPTER 19**

## **PROPERTY SECURITIES**

**CHAPTER 19 - SCOPE OF CHAPTER  
PROPERTY SECURITIES**

\*Property listees are subject to additional disclosure requirements, principally relating to \* valuations.

Other \*listees which own \*property or carry out certain \*property related transactions must comply with **Rules 19.3.1 to 19.7** as appropriate.

**GENERAL.**

**19.1.** A \*property listee must comply with the **Rules** contained in this **Chapter** in addition to all other applicable \*Listees' Listing Standards.

**CLASSIFICATION OF TRANSACTIONS BY PROPERTY LISTEES.**

**4.15.1.** Acquisitions and disposals of \*property by a \*property listee (including any transactions or arrangements the purpose of which is to change, in whole or in part, the beneficial ownership of a property) are subject to the **Rules** contained in **Chapter 10** regarding the classification of transactions save as indicated below:

- (a) for the purposes of **Rule 10.3(a)** the assets the subject of the transaction means the consideration;
- (b) for an acquisition of land to be developed, for the purposes of **Rule 10.3(a)**, the assets the subject of the transaction means the consideration plus any financial commitments relating to the development;
- (c) for the purposes of **Rule 10.3(a)** and (c), the assets of a \*property listee are, at the option of the \*property listee, either:
  - (i) the aggregate of the \*listee's share capital and reserves (excluding minority interests);
  - (ii) the \*book value of each \*property (excluding those \*properties classified as current assets in the latest published annual report and accounts); or
  - (iii) the \*published valuation of each \*property (excluding those \*properties classified as current assets in the latest published annual report and accounts);
- (d) for the purposes of **Rule 10.3(b)**, the profits attributable to the assets and the profits of the \*property listee means the \*net annual rental income;
- (e) **Rule 10.3(d)** does not apply, but when any of the consideration for an acquisition comprises \*securities, an alternative test will be applied comparing the \*securities to be issued with the number of \*securities on issue;
- (f) **Rule 10.3(e)** applies to disposals as well as acquisitions in respect of all \*property transactions; and
- (g) for an acquisition of a \*property or \*property portfolio by a \*property listee which is a \*Class 1 transaction, financial information in the form of a comparative table or accountants' report will not normally be required (but see **Rule 19.3.1(b)**).

**4.15.2.** The acquisition or disposal by a \*property listee of a \*property in the ordinary course of business which, in the case of an acquisition will be classified as a current asset in the \*listee's published accounts or, in the case of a disposal, was so classified in the \*listee's published accounts, will not be subject to the **Rules** contained in **Chapter 10** regarding the classification of transactions. Subsequent transfers of \*property assets from current to fixed assets or from fixed to current assets in the accounts of a \*property listee may be subject to the **Rules** regarding the classification of transactions and \*APX must be consulted before the \*listee gives effect to the transfer.

**REQUIREMENT FOR A VALUATION AND A VALUATION REPORT.**

**4.16.1.** A \* valuation must be obtained by:

- (a) an \* entity applying for admission to the \* official list as a \* property listee;
- (b) a \* listee if it makes an acquisition or disposal of \* property, or of a property company which is not listed, which is either a \* Class 1 transaction within the meaning of **Chapter 10**; or
- (c) a \* listee issuing \* fixed interest securities which are to be \* quoted and which are secured by \* property or \* property securities.

**4.16.2.** Where a \* valuation is required under **Rule 19.3.1**, the \* listing particulars or \* circular must include:

- (a) a \* valuation report; and
- (b) if \* APX requires, a statement reconciling the valuation figure with the equivalent figure included in the \* listee's latest published annual accounts.

**VALUATION REPORT.**

**CONTENTS OF VALUATION REPORT.**

**4.17.** The \* valuation report to be included in the \* listing particulars or \* circular must:

- (a) be undertaken by a valuer who is authorised under any law of a state or territory where the valuation takes place, to practice as a valuer;
- (b) give the date or dates of inspection;
- (c) state the name, address and professional qualifications of the valuer;
- (d) be dated and state the effective date of valuation for each property which, unless otherwise agreed by \* APX, must not be more than 120 days prior to the date of publication of the \* listing particulars or \* circular;
- (e) state that the \* valuation methodology adopted and the reasons of adopting that methodology;
- (f) state all key assumptions on which the \* valuation is based;
- (g) in cases in which \* directors or \* promoters have been interested in any acquisitions or disposals of any of the \* properties during the two years preceding the \* valuation, contain details of the nature and extent of such interests and the date of the transactions and the prices paid or received or other terms on which the transactions were effected. In such cases, the information required must be provided by the \* directors to the valuer for this purpose. Alternatively, the information on interests of \* directors or \* promoters may be given elsewhere in the \* listing particulars or \* circular; and

## Chapter 19

### Property Securities

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- (h) identify any other matter which the valuer considers relevant for the purposes of the \*valuation.

#### **VALUATION OF PROPERTY OCCUPIED FOR PURPOSES OF BUSINESS.**

**4.22.** A \*property which is occupied for the purposes of a business should be valued at existing use value. If an alternative use of the \*property is proposed and the valuation includes the open market value for that alternative use, then:

- (a) if the open market value significantly exceeds the existing use value, both values must be stated in the \*valuation report; or
- (b) otherwise, the existing use value need not be stated.

In either case, the \*valuation report must include the \*directors' estimate of the costs of cessation and removal of the existing business.

#### **OVERSEAS PREMISES.**

**4.23.** If a \*listee owns any \*property located outside Australia that \*property must be shown separately in the \*valuation report and its basis of \*valuation clearly identified.

#### **OTHER REPORTS.**

**19.7.** If the \*listee has obtained more than one valuation report regarding any of the \*listee's properties referred to in the \*listing particulars or \*circular within three months before the issue of the \*listing particulars or \*circular then all other such reports must be included.