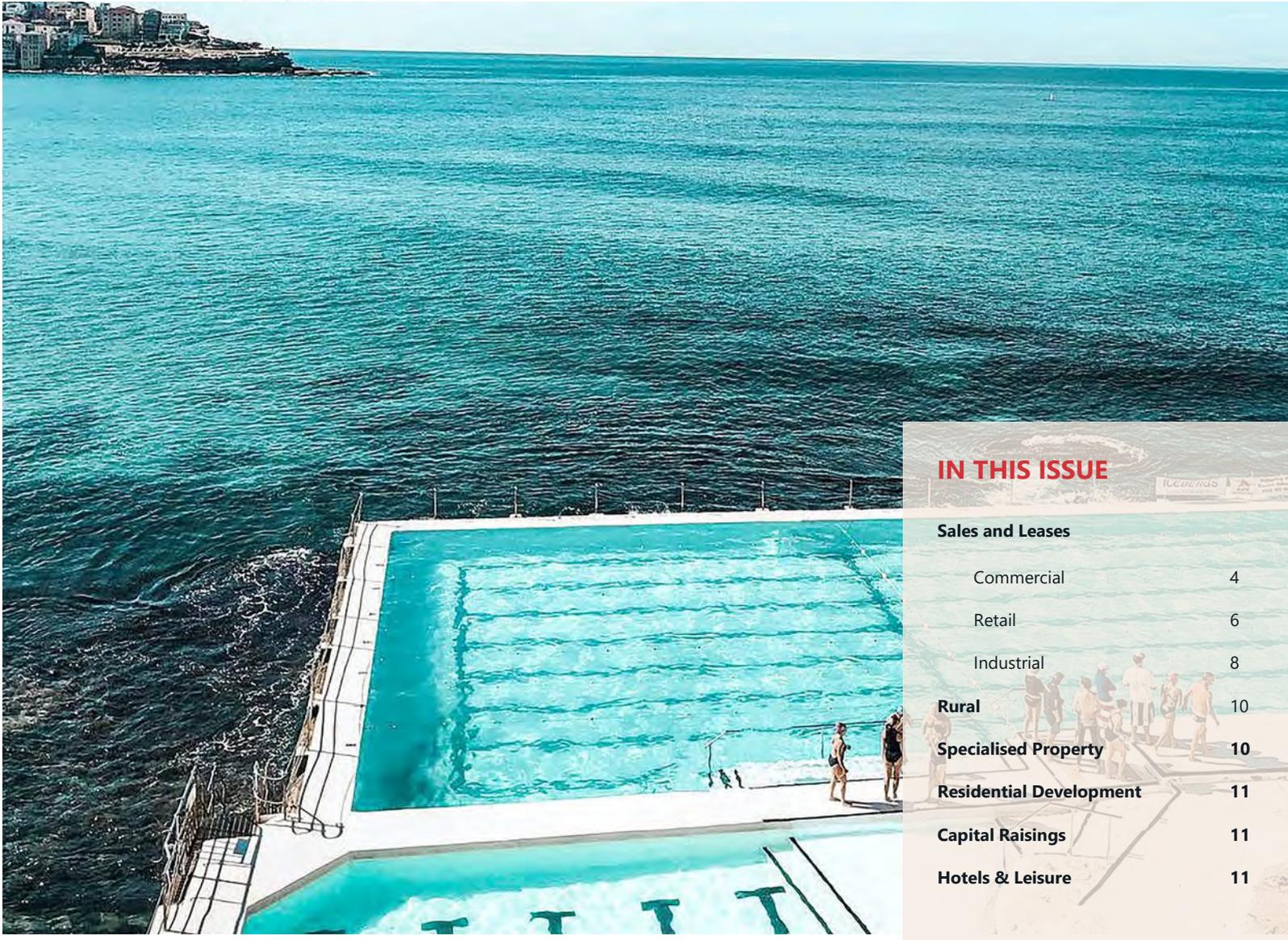




**Preston  
Rowe  
Paterson**

International  
Property Consultants  
and Valuers



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**Transactions in Review**

**December 2020**



## **ABOUT THIS REPORT**

Preston Rowe Paterson prepare research reports covering the main markets within which we operate in each of our capital cities and major regional locations.

This report summarises major reported transactions within these markets whilst adding transactional analysis to provide greater market insight.

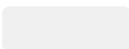
The markets covered in this research report include the commercial office market, industrial market, retail market, specialised property market, hotel and leisure market, residential market and significant property fund activities.

We regularly undertake valuations of commercial, retail, industrial, hotel and leisure, residential and special purpose properties for many varied reasons, as set out later herein.

We also provide property management services, asset and facilities management services for commercial, retail, industrial property as well as plant and machinery valuation.



Sales Transaction



Rental Transaction



### **Commercial**

Office landlord *Investa* has sold a \$300 million stake in a 29-level office building in the Sydney CBD. The 25% stake acquired by *M&G* values the property at \$1.2 billion .

### **Retail**

Fund manager *Primewest* has acquired a new Woolworths-anchored shopping centre for \$70 million.

## **HIGHLIGHTS**

### **Industrial**

Fund manager *Charter Hall*, backed by global investor *Allianz Real Estate* has acquired a second tranche of logistics investments from *Aldi* in a deal worth \$281.5 million.

## Commercial

### 400 George Street, Sydney NSW 2000

 \$300 million (25% stake)

 4.6% Yield

 \$23,427 per sqm lettable area

Office landlord *Investa* has sold a **\$300 million** stake in a 29-level office building in the Sydney CBD. The 25% stake acquired by *M&G* values the property at \$1.2 billion and will boost its investment in the building to 50%. The property boasts 51,222 sqm of A-Grade office and retail space on the corner of George and King Street. The property traded on a **yield of 4.6%** and **rate of \$23,427 psm of lettable area**.

(AFR 18.12.20)

### 1-5 Thomas Holt Drive, Macquarie Park NSW 2113

 \$288.9 million

 5.9% Yield

 \$7,372 per sqm lettable area

Singapore's largest office and industrial property trust, *Ascendas REIT* has acquired an office campus comprising three individual office buildings for **\$288.9 million**. The deal with *AMP Capital* was struck on a **yield of 5.9%** and a **rate of \$7,372 psm of lettable area**. The three building campus covers a total of 39,188 sqm of office space and include a café, two tennis courts and swimming pool.

(AFR 14.12.20)

### 283 Clarence Street, Sydney NSW 2000

 \$1,015 psm gross lettable area

 4 Years

 \$172,500 p.a.

A tenant advisory business has agreed to a **four year lease** over a full floor of office space in the Sydney CBD. The property comprises a refurbished 1910 steel-framed building with warehouse style office space and polished timber floors. The lease was struck on an initial **gross rate of \$1,015 psm of lettable area**, equating to **\$172,500 per annum**. (AFR 01.12.20)

### 1 Farrer Place, Sydney NSW 2000

 \$584 million (25% stake)

 4.39% Yield

 \$28,106 per sqm lettable area

*GPT Group* has sold a quarter stake in 1 Farrer Place to co-owner *Lendlease* for **\$584.6 million**. The deal includes both Governor Macquarie and Governor Phillip towers which total 83,900 sqm of office and retail space. The sale price represented a 4% discount to the June 2020 book value. The property traded on a **yield of 4.39%** and **rate of \$28,106 psm of lettable area**.

(AFR 02.12.20)

### 10-14 Waterloo and 105 Kippax Street, Surry Hills NSW 2010

 \$97 million

 \$14,054 per sqm lettable area

German fund manager *Real IS* has purchased two adjoining office buildings in Surry Hills from private developer *Cornerstone Property Group*. The two buildings located on the corner of Kippax and Waterloo Street comprise a total of 6,902 sqm of lettable area. The **\$97 million** deal was completed on a **rate of \$14,054 psm of lettable area**.

(AFR 10.12.20)

### 55-59 Regent Street, Chippendale NSW 2008

 \$37 million

 \$9,154 per sqm lettable area

*AMP Capital*, acting on behalf of a private mandate has acquired a 4,042 sqm office building on the fringe of the Sydney CBD for **\$37 million**. The building is leased to the Education Centre of Australia until October 2020. The sale price represented a 20% discount to the price it was previously under due diligence for in 2019. The **\$37 million** deal was struck on a **rate of \$9,154 psm of lettable area**.

(AFR 17.12.20)



### 64 Chapman Street, North Melbourne VIC 3051

- \$5.25 million
- 5.2% Yield
- \$12,681 per sqm lettable area

A local private buyer has purchased a healthcare investment in North Melbourne for **\$5.25 million**. Improved on the 872 sqm site is two buildings with a total lettable area of 414 sqm. The property is leased to orthopaedic practices VicOrtho and Orthokids. The deal was struck on a **yield of 5.2%** and **rate of \$12,681 psm of lettable area**. (AFR 17.12.20)

### 39 Woods Street, Darwin NT 0800

- \$580 psm gross lettable area
- 3 Years
- \$746,460 p.a.

The Northern Territory Power and Water Corporation has agreed to a three year lease over 1,287 sqm of space. The whole eight floor tenancy at Jacana House is owned by Sentinel Property Group. The lease was struck on an initial **gross rate of \$580 psm of lettable area**, equating to **\$746,460 per annum**. (AFR 15.12.20)

### 529 Chapel Street, Mount Waverley VIC 3149

- \$222 psm gross lettable area
- 3 Years
- \$150,000 p.a.

Sales and marketing agency Red23 has subleased 675 sqm of first floor office space in Melbourne's east. The lease was struck on an initial **gross rate of \$222 psm of lettable area**, equating to **\$150,000 per annum**. (AFR 22.12.20)





# Retail

## Shop 1/2 Awaba Street, Mosman NSW 2088



\$5.625 million



3.2% Yield



\$40,468 per sqm lettable area

A private investor has purchased a 139 sqm shop for **\$5.625 million**. The shop, which overlooks Balmoral Beach is leased to Beach House Balmoral returning \$180,000 net p.a.. The property traded on a **yield of 3.2%** and **rate of \$40,468 psm of lettable area**. (AFR 03.12.20)

## 93-119 Kavanagh Street, Southbank VIC 3000



\$70 million



4.73% Yield

Fund manager *Primewest* has acquired a new Woolworths-anchored shopping centre within Singaporean developer *OSK's* Melbourne Square Precinct. The mall will comprise a two-level Woolworths supermarket, BWS liquor store, five speciality stores and an 87 place childcare centre. The **\$70 million** deal was completed on an **yield of 4.73%** with a weighted lease expiry of almost 14 years. (AFR 09.12.20)

## 1 Parramatta Road, Clyde NSW 2142



\$6.675 million



2.91% Yield



\$2,480 per sqm lettable area

A private investor has acquired 2,691 sqm retail property at auction for **\$6.675 million**. The property, which fronts Parramatta Road is leased to AMX on a five year lease with options to 2034. The deal was completed on a **yield of 2.91%** and **rate of \$2,480 psm of lettable area**. (AFR 09.12.20)

## 3/39 Dixon Road, Rockingham WA 6168



\$525 psm gross lettable area



5 Years



\$205,205 p.a.

*Road Tech Marine* has leased a 1,001 sqm showroom in Perth's south for a period of **five years**. The property benefits from road exposure to Dixon Road and 146 shared car spaces. The lease was struck on an initial **gross rate of \$525 psm of lettable area**, equating to **\$205,205 per annum**. (AFR 08.12.20)





# Industrial

## 9 Clay Place, Eastern Creek NSW 2766

 \$125 psm net lettable area

 5 Years

 \$400,000 p.a.

A warehousing and distribution tenant has signed a **five year** lease over 3,195 sqm of office and warehouse space in western Sydney. The warehouse was leased five months prior to its availability date in an off market deal. The lease was struck on an initial **net rate of \$125 psm of lettable area**, equating to **\$400,000 per annum**. A 3.33% incentive was included in the deal.  
(AFR 01.12.20)

## 2 Money Close, Rouse Hill NSW 2155

 \$5.5 million

 \$610 per sqm of site area

A private buyer has purchased a block of industrial land in Sydney's north-west for **\$5.5 million**. The new purchaser has plans to develop the 9,011 sqm corner block into industrial units. The property sold on a **rate of \$610 psm of site area**.  
(AFR 10.12.20)

## 1/885 Mountain Highway, Bayswater VIC 3153

 \$100 psm net lettable area

 10 Years

 \$646,200 p.a.

A 6,462 sqm warehouse in Melbourne's east has been leased by *MotorOne* for a period of **10 years**. The recently completed office and warehouse facility comprises a nine metre clearance and parking. The lease was struck on an initial **net rate of \$100 psm of lettable area**, equating to **\$646,200 per annum**.  
(AFR 08.12.20)

## 5-7 Garema Circuit, Kingsgrove NSW 2208

 \$13 million

 5% Yield

 \$3,651 per sqm lettable area

A *private investor* has acquired a 3,561 sqm warehouse in Sydney's south. The recently refurbished warehouse is leased to Garlo Pies on a 10 year triple net lease returning \$650,000 net p.a. with fixed annual increases of 3%. The property traded on a **yield of 5%** and **rate of \$3,561 psm of lettable area**.  
(AFR 03.12.20)

## 1 Foundry Road, Seven Hills NSW 2147

 \$56 million

 5.1% Yield

 \$2,511 per sqm site area

The *Canberra Raiders* have almost doubled their money on a Bunnings investment in the Sydney's north-west after selling for **\$56 million**, which was initially purchased by the club for \$29.55 million back in 2011. HomeCo acquired the asset on a **yield of 5.1%** and a **rate of \$2,511 psm of site area**.  
(AFR 14.12.20)

## 10 Garling Street, Kings Park NSW

 \$9 million

 \$2,724 per sqm lettable area

A 3,304 sqm industrial property in Sydney's west has been sold in an off market deal. The property, which stands on a 5,867 site comprises an internal clearance ranging from 5.4 to 6.8 metre, three container sized roller shutter doors and 52 onsite car spaces.. The **\$9 million** deal was completed on a **rate of \$2,724 psm of lettable area**.  
(AFR 17.12.20)

### The Charter Hall Prime Industrial Fund

 \$281.5 million

 4.75% Yield

Fund manager *Charter Hall*, backed by global investor Allianz Real Estate has acquired a second tranche of logistics investments from Aldi in a deal worth **\$281.5 million**. The deal includes the acquisition of two Aldi distribution centres located at Derrimut in Melbourne and Yatala on the outskirts of Brisbane. Both tranches were executed on a **yield around 4.75%**.

(AFR 08.12.20)

### 6-7 Bushells Place, Wetherill Park NSW

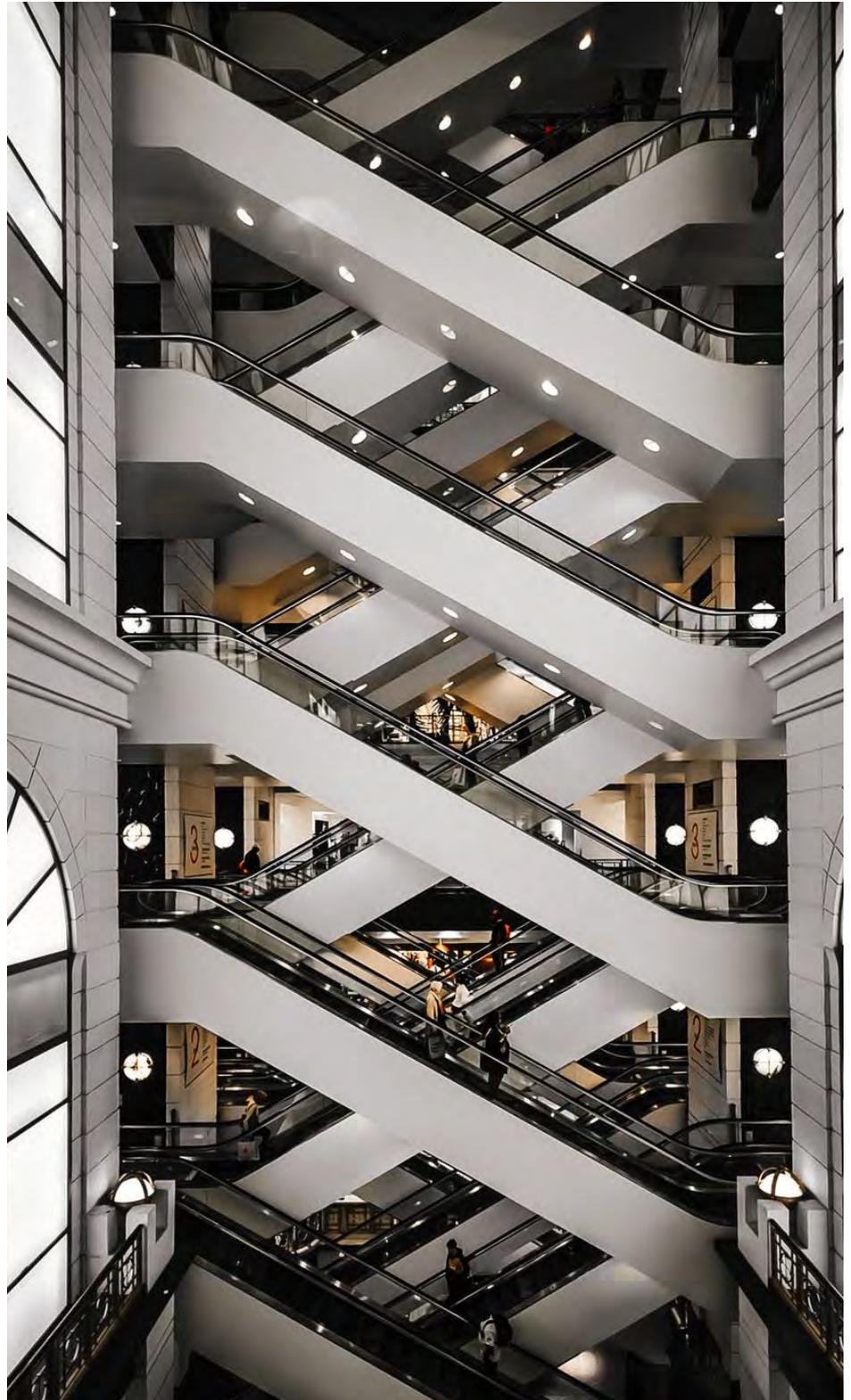
 \$125 psm net lettable area

 5 Years

 \$400,000 p.a.

A warehousing and distribution tenant has signed a **five year** lease over 3,195 sqm of office and warehouse space in western Sydney. The warehouse was leased five months prior to its availability date on an off market deal. The lease was struck on an initial **net rate of \$125 psm of lettable area**, equating to **\$400,000 per annum**. A 3.33% incentive was included in the deal.

(AFR 01.12.20)





## Rural

### "Sugarloaf" Crookwell NSW 2583

\$5.7 million

\$9,268 per hectare

A 615 hectare mixed farming property in the Southern Tablelands of NSW has sold at auction for **\$5.7 million**. The land was sold by the *Kensit family* after 160 years of ownership. Improved on the land is a single level four bedroom dwelling, 14 dams, machinery shed, cattle yards and sheep yards. The property sold on a **rate of \$9,268 per hectare**.

(AFR 21.12.20)

## Specialised Property

### 2 Civic Boulevard, Rockingham WA 6168

\$22.9 million

5.75% Yield

\$7,669 per sqm lettable area

*Elanor Investors Group* has purchased a three level multi tenanted medical facility for **\$22.9 million**. The 2,986 sqm property stands on a 1,254 sqm site and is located opposite the Rockingham Shopping Centre. The acquisition represents the fourth asset in the unlisted fund since it was established in March. The property traded on a **yield of 5.75%** and **rate of \$7,669 psm of lettable area**.

(AFR 03.12.20)

## Hotels & Leisure

### The Narwee Hotel, Narwee NSW 2209

\$45 million

\$11,209 per sqm of site area

The Narwee Hotel in Sydney's south has been sold by the *Ryan family* to *Iris Capital* in a **\$45 million** deal. The hotel includes a bistro, 14 hotel rooms, sports bar, bottle shop and TAB. The property, which stands on a 3,370 sqm site sold on a **rate of \$13,353 psm of site area**.

(AFR 08.12.20)

### Kinselas Hotel, Darlinghurst NSW 2000

\$45 million

\$83,799 per sqm of site area

*Moelis* has acquired the Kinselas Hotel in Sydney's Taylor Square from Universal Hotels in a **\$45 million** deal. The acquisition follows the purchase of the neighbouring Courthouse Hotel. The hotel comprises multiple indoor and outdoor dining and bar areas as well as 74 gaming machines. The property sold on a **rate of \$83,799 psm of site area**.

(AFR 10.12.20)

## Capital Raisings

### 271 Elizabeth Street, Sydney NSW 2000

\$95 million

\$979,381 per room

The Hyde Park Inn along with a small office building behind it has sold in a **\$95 million** deal between *RSL NSW* and Sydney developer *Central Element*. The hotel, which overlooks Hyde Park comprises 97 rooms across 15 floors with the three level office building attached to the rear. Central Element plan to undertake a luxury apartment development. Subject to development approval The deal was completed on a **rate of \$979,381 per room**.

(AFR 10.12.20)

### 80 Homebush Drive, Tarnait VIC 3029

\$6.57 million

5.75% Yield

\$46,929 per place

ASX listed property group *HomeCo* has added a newly built childcare investment to its portfolio in a **\$6.57 million deal**. The 2,039 sqm building, which occupies a 2,305 sqm corner site comprises a license for 140 places. The property is leased to Explorers Early Learning on a 15+10+10 year lease with fixed annual rent increases of 3%. The deal was struck on a **yield of 5.75%** and **rate of \$46,929 per place**.

(AFR 17.12.20)





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Rowe  
Paterson**

## Our Research

At Preston Rowe Paterson we take pride in the extensive research we prepare for the market sectors within which we operate in. These include Commercial, Retail, Industrial, Hotel and Leisure and Residential property markets, as well as Infrastructure, Capital, Asset, Plant and Machinery markets.

## We have **property** covered.

## We have **clients** covered

Preston Rowe Paterson acts for a diverse range of clients with all types of property needs, covering real estate, infrastructure, asset, plant and machinery interests, these include:

- Accountants, auditors & insolvency practitioners
- Banks, finance companies & lending institutions
- Commercial & residential non-bank lenders
- Co-operatives
- Developers
- Family Offices
- Finance & mortgage brokers
- Hotel owners & operators
- Institutional investors
- Insurance brokers & companies
- Investment advisors
- Lessors & lessees
- Listed & private companies & corporations
- Listed & unlisted property trusts
- Local, state & federal government departments & agencies
- Mining companies
- Mortgage trusts
- Overseas clients
- Private investors
- Property syndication managers
- Real Estate Investment Trusts (REITS)
- Rural landholders
- Solicitors & barristers
- Sovereign wealth funds
- Stockbrokers
- Superannuation funds
- Trustee & custodial companies.

## We have **real estate** covered

We regularly provide valuation, advisory, research, acquisition, due diligence management, asset and property management, consultancy and leasing services for all types of Real Estate, including:

- Metropolitan & CBD commercial office buildings
- Retail shopping centres & shops
- Industrial, office/warehouses & factories
- Business parks
- Hotels (accommodation) & resorts
- Hotels (pubs), motels & caravan parks
- Residential developments projects
- Residential dwellings (houses/apartments/units)
- Property Management
- Rural properties
- Hospitals & aged care
- Special purpose properties
- Extractive industries & resource based enterprises
- Infrastructure including airports & port facilities.

## We have **asset, plant and machinery** covered

We regularly undertake valuations of all forms of asset, plant and machinery, including:

- Mining & earth moving equipment/road plant
- Resort & accommodation, hotel furniture, fittings & equipment
- Office fit outs & equipment
- Farming equipment
- Transport equipment
- Industrial/factory equipment
- Licensed club furniture, fittings & equipment
- Building services equipment (lifts, air conditioning, fire services & building maintenance equipment).

## We have your **needs** covered

Our clients seek our property (real estate, infrastructure, asset, plant and machinery) services for a multitude of reasons, including:

- Acquisitions & Disposals
- Alternative use & highest and best use analysis
- Asset Management
- Asset Valuations for financial reporting to meet ASIC, AASB, IFRS & IVSC guidelines
- Compulsory acquisition and resumption
- Corporate merger & acquisition real estate due diligence
- Due Diligence management for acquisitions and sales
- Facilities management
- Feasibility studies
- Funds management advice & portfolio analysis
- Income & outgoings projections and analysis
- Insurance valuations (replacement & reinstatement costs)
- Leasing vacant space within managed properties
- Listed property trust & investment fund valuations & revaluations
- Litigation support
- Marketing & development strategies
- Mortgage valuations
- Property Management
- Property syndicate valuations & re-valuations
- Rating and taxing objections
- Receivership, Insolvency & liquidation valuations & support/advice
- Relocation advice, strategies and consultancy
- Rental assessments & determinations
- Sensitivity analysis
- Strategic property planning.

## We have all **locations** covered

From our capital city and regional office locations we serve our client's needs throughout Australia. Globally, we have three offices located in New Zealand, as well as associated office networks located in the Asia-Pacific region.

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## Asia-Pacific Region

### Associated office networks throughout:

**China** via China Appraisal  
<http://www.appraisalchina.com/>

**Japan** via Daiwa Realty Appraisal  
<http://daiwakantei.co.jp/eng/about>

**Thailand** via Capital and Co.  
<http://www.cpmcapital.co.th/>

**Philippines** via Cuervo Appraisal Incorporated  
<http://cuervoappraisers.com.ph/>





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