



**Preston  
Rowe  
Paterson**

International  
Property Consultants  
and Valuers



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# **Transactions in Review**

# **July 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.

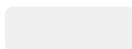
The markets covered in this research report include the commercial office market, industrial market, retail market, specialised property market, hotel and leisure market, residential market and significant property fund activities.

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



## HIGHLIGHTS

### Melbourne Commercial

Singaporean backed, *TE Capital Partners* has acquired a 21 storey B-grade office building in a \$145 million off market deal.

### Sydney Retail

Charter Hall has sold the West Ryde Marketplace shopping centre to Perth-based fund manager to Primewest in a \$56.4 million deal.

### Adelaide Industrial

*Charter Hall Retail REIT* has acquired a \$111.8 million or 52% interest in a \$215 million high quality purpose-built distribution facility fully leased to Coles.



## Commercial

350 Queen Street,  
Melbourne VIC 3000



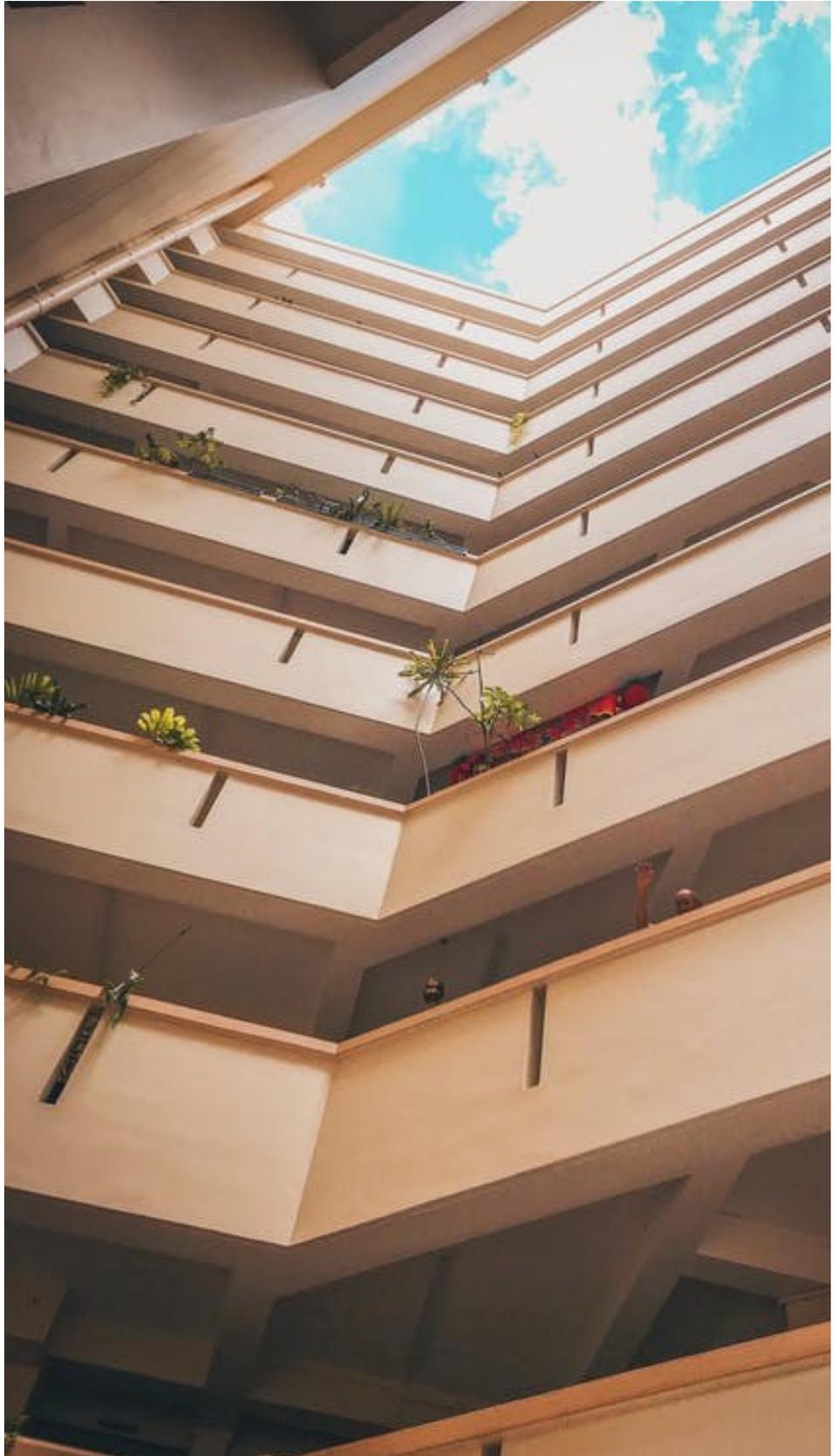
 \$145 million

 4.8% Yield

 \$6,617 per sqm lettable area

Singaporean backed, *TE Capital Partners* has acquired a 21 storey B-grade office building from a *private* investor in a **\$145 million** off market deal. The 21,914 sqm office tower incorporating ground floor retail space sold on a tight **4.8% yield** and a **rate of \$6,617 psm of lettable area**. The Singaporean will pursue a 12-month refurbishment over the 1980s CBD located office building. At the time of sale the property was 95% lease with an average lease expiry of four years.

(AFR 07.07.20)





# Retail

## 250 Greystanes Road, Greystanes NSW 2145

- \$35.2 million
- 5.5% Yield
- \$6,750 per sqm lettable area

Charter Hall has offloaded the Pemulwuy Marketplace Shopping Centre to Perth-based fund manager Primewest in a **\$35.2 million deal**. The sale price represented a 1% discount to the December 2019 book value. The 5,215 sqm neighbourhood shopping centre traded on a **yield of 5.5%** and a **rate of \$6,750 per sqm of lettable area**. The property is anchored by Woolworths and supported by 15 speciality stores and two kiosks. At the date of sale the property comprised a WALE of 8.3 years. (AFR 06.07.20)

## 14 Anthony Road, West Ryde NSW 2114

- \$56.4 million
- 5.25% Yield
- \$8,828 per sqm lettable area

Charter Hall has sold the West Ryde Marketplace shopping centre to Perth-based fund manager to Primewest in a **\$56.4 million deal**. The sale price represented a 1% discount to the December 2019 book value. The 6,389 sqm convenience based shopping centre traded on a **yield of 5.25%** and a **rate of \$8,815 per sqm of lettable area**. The property is anchored by a Woolworths supermarket and supported by 22 speciality stores and two kiosks. At the date of sale the property comprised a WALE of 10.28 years. (AFR 06.07.20)

## 277 Barker Road, Subiaco, WA 6008

- \$15.5 million
- \$4,879 per sqm site area

A neighbouring landlord who owns the adjacent Farmer Jack's supermarket has purchased a 3,177 sqm block of land in Perth's inner-west. The site is improved with a former Coles supermarket comprising 2,300 sqm of lettable area over two levels and 109 car spaces. The **\$15.5 million** sale price represented a **rate of \$4,879 psm of site area**. (AFR 09.07.20)

## 274 Mulgrave Road, Westcourt QLD 4870

- \$5.21 million
- 4.77% Yield
- \$15,646 per sqm lettable area

A private investor has beaten 18 other bidders at auction to acquire a Hungry Jack's investment in Cairns on a tight **4.77% yield**. The freestanding restaurant, which has a new dual lane drive through facility, adjoins the Coles anchored DFO Cairns shopping centre. Under the current lease agreement Hungry Jacks will occupy the property until March 2030 with options to 2040. The sale price of **\$5.21 million** represented a **rate of \$15,646 psm of lettable area**. (AFR 02.07.20)

## 125 Princes Highway, Dandenong South VIC 3175

- \$29.1 million
- 5.2% Yield
- \$5,446 per sqm lettable area

After more than three years on the market, *RG Property* has sold its 'The Village Shopping Centre' for **\$29.1 million**. The neighbourhood shopping centre was developed by RG Property in 2015 and comprises a full line Woolworths supermarket, BWS and 15 specialities. The 5,343 sqm centre, which occupies a 1.9 hectare site sold on a **yield of 5.2%** and **rate of \$5,446 psm of lettable area**. (AFR 02.07.20)



# Industrial

## 7 Kioara Crescent, Yennora NSW 2161



\$23.5 million



\$1,794 per sqm lettable area

Singapore logistics and office platform *Ascendas REIT* has agreed to buy a yet-to-be-completed warehouse from Melbourne based developer *Pelligra Group*. The fund through deal will see *Ascendas* acquire a completed 13,100 sqm warehouse on a 2.6 hectare site within the Yennora industrial precinct. The purchase price of **\$23.5 million** includes the land and development cost, which is 19.8% lower than the as if complete market valuation at 30 June 2020. The warehouse is expected to generate an **initial net yield of 6.2%** pre transaction costs and 5.8% yield post transaction costs. A 12 month rental guarantee was also included in the transaction with the deal trading on a **rate of \$1,794 psm of lettable area.**

(AFR 06.07.20)

## 2-4 Mephan Street, Maribyrnong VIC 3032



\$10 million



\$1,196 per sqm lettable area

An owner occupier in the IT sector has acquired an office/warehouse facility in Melbourne's inner west for **\$10 million**. The property stands on a 14,900 sqm site and comprises 8,364 sqm of lettable area. Accommodation consists of fully sprinkled warehouse, 3000 + amp supply and amenities. The deal was completed on a **rate of \$1,196 psm of lettable area.**

(AFR 30.07.20)

## 31 Fuller Road, Ravenhall VIC 3023



\$25.3 million



\$122 per sqm site area

Developer and builder *Pelligra Group* has acquired a 20.8 hectare site in Melbourne's west from *Balanced Securities* for **\$25.3 million**. The group plan to develop a major industrial project with an end value of \$100 million across 45 lots. The property, zoned Industrial 3 is one of the last remaining big land parcels in Ravenhall. The deal was completed on a **rate of \$122 psm of site area.**

(AFR 07.07.20)

## 163-165 Islington Street, Collingwood VIC 3066



\$8.4 million



\$7,000 per sqm lettable area

A warehouse in Melbourne's inner north-east has sold to a local businessman for **\$8.4 million**. The sales campaign attracted both developers and owner occupiers with the purchaser looking to occupy the premises for its business. The older style brick building has an area of 1,200 sqm and comprises a warehouse with eight metres of internal height, a cool room freezer and a commercial kitchen. The deal was completed on **rate of \$7,000 per sqm of lettable area.**

(AFR 02.07.20)

## 37-39 Wentworth Street, Greenacre NSW 2190 & Ford Facility, Mickleham VIC 3064



\$173.5 million (combined)



5% & 5.25% Yield

*Dexus*, through its Australian Logistics Trust (in which *Dexus* holds a 51% interest) has acquired two industrial properties in Greenacre (NSW) and Mickleham (VIC). The deal, worth a combined price of **\$173.5 million** includes a 19,246 sqm modern cold storage and ambient facility in Greenacre and a brand new 51,595 sqm prime grade industrial facility in Mickleham.

**The Greenacre facility** includes 5,950 square metres of expansion space currently under development for Real Dairy Australia. In February 2021, on practical completion of the expansion space, the asset will have a weighted average lease expiry by income of circa 13.5 years and will generate a passing yield of 5%, with fixed annual increases of 3% per annum. **The Mickleham facility** currently being developed for Ford Australia as the car manufacturers national distribution centre for spare parts. The asset will be acquired via a fund-through development transaction with a coupon on contributed capital of 6.5% up to practical completion of the development in August 2021. On completion, the asset will have a weighted average lease expiry by income of 10 years and will generate a passing yield of 5.25% with fixed annual increase of 3.25% over the initial lease term.

(AFR 07.07.20)

**2 Sturton Road,  
Edinburgh SA 5111**

 \$111.8 million

Charter Hall Retail REIT has acquired a **\$111.8 million** or **52% interest** in a \$215 million high quality and purpose-built distribution. The property is fully leased to Coles with 14.5 years remaining on the lease term plus multiple options and fixed annual reviews of 2.75%. The distribution centre serves all of Coles retail stores in South Australia and the Northern Territory. (AFR 08.07.20)

**457-459 Tufnell Road,  
Banyo QLD 4014**

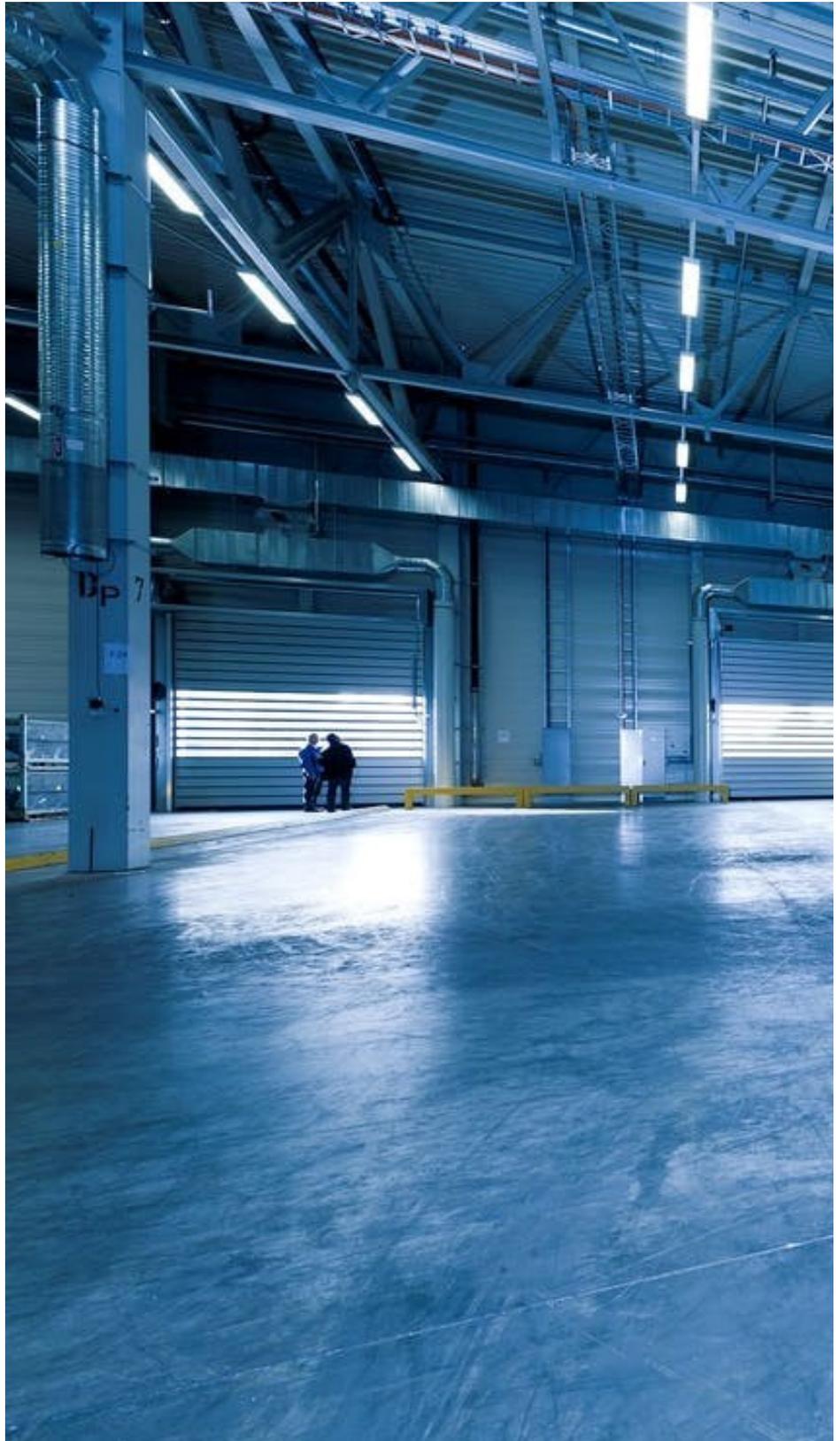


 \$7 million

 6.8% Yield

 \$2,414 per sqm lettable area

A 2,900 sqm industrial facility located in Brisbane's north has sold to a *private investor* for **\$7 million**. QUT occupy the premises on a 10 year lease and have recently exercised the option for a further five year term. The deal was completed on a **yield of 6.8%** and a **rate of \$2,414 psm lettable area**. (AFR 16.07.20)





## Residential Dev

### 1542-1544 High Street, Glen Iris VIC 3146

\$5.68 million

\$3,341 per sqm site area

A Sydney-based developer has secured a 1,700 sqm block of land in Melbourne's east for **\$5.68 million**. The site, which has approval for the development of 22 apartments was taken to market via an expressions of interest campaign on behalf of the mortgagee in possession. The deal was completed on a **rate of \$3,341 psm of site area**.

(AFR 02.07.20)

### 37 Graham Road, Highett VIC 3190

\$90 million

\$964 per sqm site area

An asbestos contaminated former research site owned by the CSIRO has sold to Melbourne-based developer Wolf Group for **\$90 million**. The 9.34 hectare site comprises scope for the development of more than 500 dwellings. Before settlement the site is due for \$30 million worth of remediation works. 4 hectares of the site has been earmarked for public recreation purposes under an agreement with the local council. The property lies south of a recently completed full-line Woolworths Shopping Centre and 100m from the Highett Train Station. The deal was struck on a **rate of \$964 psm of site area** and **\$180,000 per potential dwelling**.

(AFR 23.07.20)

## Capital Raising & Property Funds

### Owen-Illinois Glass Bottle Manufacturing Assets

\$215 million

5.4% Yield

\$1,473 per sqm lettable area

Charter Hall has acquired a portfolio of three industrial properties from Owens-Illinois Australia in a **\$215 million** sale and leaseback deal. As part of the sale and leaseback arrangement, Owens-Illinois has agreed to a 20 year net leaseback, with fixed 3% annual reviews. The three assets are located in Melbourne, Sydney and Adelaide. Combined, the portfolio comprises a site area of approximately 3,189,340 sqm and a gross lettable area of 146,000 sqm. The deal was completed on a blended **yield of 5.4%** and a blended **rate of \$1,473 psm of lettable area**.

(APM.News 17.07.20)





## Hotels & Leisure

### 1 Queen Street, Melbourne VIC 3000

- \$108 million
- \$524,272 per room

Thailand's *Savetsomphob family* has struck a deal to purchase the new Vibe Hotel Melbourne for **\$108 million**. The sale represents the families second Australian hotel acquisition in the past six months. The deal was reported to have been agreed into pre COVID-19. The 23 storey hotel is located on the corner of Flinders and Queen Street and comprises 181 rooms and 26 suites. Developer and vendor, *Caydon*, sold the hotel on a **rate of \$524,272 per room**. (AFR 03.07.20)



## Specialised Property

### 288 Geelong Road, Footscray VIC 3012

- \$11.5 million
- 5.8% Yield
- \$5,162 per sqm lettable area

The *Agosta family* has sold a childcare centre in Melbourne's west to a wealthy local investor for **\$11.5 million**. The recently completed childcare centre has a building area of 2,228 sqm and is leased to Nino Early Learning Adventures. The sale price represented a **yield of 5.8%** and **rate of \$5,162 psm of lettable area**. (AFR 15.07.20)

### 2 MacLeay Drive, Halekulani NSW 2262

- \$16 million
- 6% Yield
- \$177,777 per house

*Ingenia Communities Group* has acquired an over-55s housing community on the NSW Central Coast for **\$16 million**. The property known as Sunnyslake Shores, occupies a 4.2 hectare site and comprises 90 permanent homes, along with a further 38 approved building ready development sites. The deal was completed on a **rate of \$177,778 per house** and **yield of 6%**. (AFR 28.07.20)





**Preston  
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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**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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