



**Preston
Rowe
Paterson**

National Property Consultants

TRANSACTIONS *IN* REVIEW

About This Report

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

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

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.

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Sales

Commercial

117 Clarence Street, Sydney NSW 2000

AMP capital Investors have sold 117 Clarence Street, Sydney to a private real estate group, Altis Property Partners. This commercial property sold for **\$61.25 million on a yield of 9.25%**, displaying a **rate per m2 of \$4,872**.



The 12,571 m2 tower boasts three street frontages – Clarence, Erskine and Kent Streets, 11 upper levels, three levels of basement car parking and a two level bar and hotel fronting Kent and Erskine streets. [AFR 02/04/2013]

York Street Office Building, Sydney NSW 2000

A York Street Office Building has sold for **\$19.8 million** to a Beijing based group. The property sits on a 628 m2 block and boasts 9 upper levels of office space that span 411 m2, above ground floor retail space.

The property generates rents of about \$1.5million p.a. There have been speculations that the buyer intends to redevelop the property into a boutique hotel or a residential development. [AFR 08/04/2013]

313 Spencer Street, Melbourne VIC 3008

A **\$115 million** stake in the new police complex on Melbourne's Docklands has been sold to Global funds giant Invesco. The 12 storey complex is being developed on 11,750 m2 site with a rate of **\$9,787/m2**, which carries a 20 year lease pre-commitment by Victoria Police. [AFR 09/04/2013]

575 Bourke Street, Melbourne VIC 3000

German pension fund BVV has purchased its first Australian property, an office tower at 575 Bourke Street, Melbourne. The property was sold for **\$70 million**, representing an **investment yield** of around **8%**. [AFR 23/04/2013]

33 Queen Street, Brisbane QLD 4000

Abacus Property Group has purchased 33 Queen Street, an office building on Brisbane's Queen Street Mall. The property sold for **\$34 million** and reflects an **initial yield of 9.4%**. The property has been occupied by Westpac Bank, on a 160 year lease. [AFR 23/04/2013]

Corner of Botany Road and Hayes Road, Sydney NSW 2018

A **3,998 m2** South Sydney development site has sold for **\$12 million**. The property is located on the corner of Botany Road and Hayes Street, and currently has no development approvals and no income. [AFR 24/04/2013]

Commercial Development Site, A'Beckett Street Melbourne VIC 3000

Am **1,896 m2** parcel of land has been sold to a Chinese developer for **\$20 million** along A'Beckett Street in Melbourne's CBD. The sale struck a price around **\$10,600/m2**. [AFR 24/04/2013]

480 Queen Street, Brisbane QLD, 4000

DEXUS Property Group has gone into partnership with its wholesale fund to purchase 480 Queen Street, Brisbane. DEXUS purchased the commercial building from private developer Grocon in a **\$543 million** deal with a **capitalisation rate exceeding 7%**. [AFR 26/04/2013]

Industrial

3 Figtree Drive, Sydney Olympic Park NSW 2127

GPT Group has purchased an office and warehouse space at along Figtree Drive, Sydney Olympic park for **\$19.4 million**. The property is leased to QBE Management Services has a total area of 6780 m2. It comprises a two level office and warehouse as well as 200 car parking spaces. The property is approximately 20km east of the Sydney CBD, **with a rate of \$286/m2**. [AFR 11/04/2013]

13 Ferndell Street, Brisbane QLD 4103

Sentinel Property Group has purchased a **\$13.5 million** industrial investment off listed materials and mining Group Arrium, and has leased the investment back to the company for 7 years in Brisbane's western suburbs. The property is a 15,200 m2 warehouse offices, with a **rate of \$888/m2** displaying an **initial yield of 9.8%** and a **distribution yield of 11.76%** in the first year and **12.47%** in the second. [AFR 18/04/2013]



3/27 Nyrang Street, Lidcombe NSW 2141

A 1,740 m2 industrial property in Sydney's west has been leased to NSW Food Distributors Pty Ltd. The property at 3/27 Nyrang Street, Lidcombe displays a **rate per m2 of \$111** and a gross rent per year of \$193,100 reflective of a three year lease period. The property is located approximately 20 km west of the Sydney CBD and has easy access to Parramatta Road, Centenary Drive and the M4. [AFR 30/04/2013]

Retail

37 Epping Road, Macquarie Park NSW 2113

Insolvency from Ferrier Hodgson has sold a property in Sydney's north for **\$17.35 million**. The property was built in 2002 and comprises three storeys of commercial and bulky goods retail space and has a net lettable area of approximately 8,000 m2, and a **rate per m2 \$2,160**. The property boasts 220 car spaces located across the basement, ground and mezzanine levels. The property is located 14km north of the Sydney CBD. [The AU 18/04/2013]

Residential

Drummond Street, Carlton VIC 3053

Three adjacent Victorian Terrace buildings have sold in Carlton, Melbourne to a private investor for **\$5 million**. The properties are zoned for mixed use and span 960 m2, and are said to have strong refurbishment and redevelopment potential.

The sale shows land area at a **rate per m2 of \$5,208**.

The addresses of the properties are around 3 km east of the Melbourne CBD.

[AFR 02/04/2013]



Residential development site, Perth WA

A 40.5 hectare site in Perth's situated 22km from the Perth CBD has been sold to Cedar Woods, a listed developer for **\$22.3 million**. The estate is expected to be developed into a residential site, including more than 350 lots, with first settlements in late 2015 showing \$63,714 per proposed lot.

[AFR 08/04/2013]

Residential development site, Turganina VIC 3029

An undeveloped site in Turganina in Melbourne's West has been sold for **\$7.74 million** to a private investor. The 30.76 hectare site was the first englobo property to sell in the area in more than four years. The site is approximately 25km East of Melbourne's CBD, and its sale attracted a lot of interest with over 60 enquiries, showing \$25,136 per hectare.

[AFR 16/04/2013]

Development site, Kangaroo Point WA 6000

River-front land at Kangaroo Point, Central Perth has been sold to Tom Dooley Developments. The developer intends to build a 15-storey building with 18 apartments called Peninsula Riverside.

The site overlooks the heritage-listed Shafston House, and it is expected that the Apartments will range from \$370,000 to \$490,000.

[AFR 17/04/2013]



Residential development Site, Dulwich Hill NSW 2203

A **\$23.7 million** site in Dulwich Hill, Sydney has been sold to a Singaporean Group Stamford Land Corporation. The 10,000 m2 site that was recently rezoned for residential use is expected to be developed into an apartment complex with 250 apartments. The property is located approximately 10km south of the Sydney CBD, and displays a square metre **rate of \$2,370** and a rate per proposed unit of **\$94,800**.

[AFR 19/04/2013]

Bay Street, Melbourne VIC 3186

BMP Constructions and Development has purchased two development sites in Melbourne's south east. The company paid approximately **\$7 million** for a 3600 m2 site along Bay Street, Brighton which is located 12 km south of the Melbourne CBD. BMP Constructions and Development has the intention of developing 90 apartments and 100 m2 of retail space on this site. Showing a **rate per m2 of \$1944**.

[AFR 30/04/2013]

Hotels and Leisure

Hotel Sales Wrap, Australia wide

Singapore listed group, Far East Orchard (Orchard) has purchased its first three hotel properties in Perth. They have picked up Rendezvous Hotel Perth, Rendezvous Studio Hotel Perth Central and Rendezvous Grand Hotel Melbourne coming to a grand total of approximately **\$178 million**. The group hopes to expand their property portfolio in the coming years.

[AFR 17/04/013]

Pub Sales Wrap, Australia wide

The Australian Pub Fund has bought The Elephant in Brisbane and the Bristol Arms hotel in Sydney. APF paid an Independent Pub Group over **\$26 million** for the Brisbane hotel, while the Sydney property was purchased from Redcap Property Fund for just under **\$8 million**. The Elephant is located 3 km north of the Brisbane CBD and the Bristol Arms Hotel, is in the heart of the Sydney CBD.

[AFR 19/04/2013]

Medical/Aged Care

7 Coleman Street, Sydney NSW, 2160

Generation Healthcare REIT has purchased the Westmead Rehabilitation Hospital in Sydney's Merylands for **\$20 million** representing a **9% initial income yield**. The hospital is approximately 30km west of the Sydney CBD.

The deal was funded with a \$23.1million capital raising, at 97cents per unit. The hospital is a 60-bed private rehabilitation hospital in close proximity to Westmead public and private hospitals. Generation Healthcare structured a 25 year lease with its operator Pulse Health, a listed health care provider.

[AFR 23/04/2013]



Leasing

Commercial

243 Northbourne Avenue, Lyneham ACT 2602

National Blood Australia (NBA) and CARE are the most recent tenants to secure a leasing in the Oracle Building in the ACT. The NBA is leasing 1,150 m2 over 10 years while, CARE is leasing 998 m2 for 5 years. The Oracle Building is 10 km north of the Canberra CBD.

[AFR 09/04/2013]

757 Ann Street, Brisbane QLD 4006

6,000 m2 has been pre-leased to Ventryx, in a relatively new office building along Ann Street, Brisbane. This lease will fill three-quarters of an 11 storey office tower, and display a **rate per m2 of \$500** equaling an annual rent amount of approximately \$3 million per year. It is located 3km north of the Brisbane CBD.

[AFR 09/04/2013]

150 Charlotte Street, Brisbane QLD 4000

Boeing Defence Australia has leased 7460 m2 of office space in a refurbished A grade tower along Charlotte Street, Brisbane. The Boeing Defence Australian head office will occupy 10 levels of the building along with existing tenants such as Zurich and Walker Corporation.

[AFR 16/04/2013]

417 St Kilda Road, Melbourne VIC 3004

American biotechnology company Gilead Sciences has leased an 1164 m2 office property on level 6 of 417 St Kilda Road, Melbourne. The property displays a net rental **per m2 of \$320**. Located 5 km south of the Melbourne CBD. 417 St Kilda Road has been identified as a target property location in Melbourne.

[AFR 30/04/2013]

Industrial

Industrial lease, Port Melbourne VIC 3207

Total Tools, George Fethers and Good-Start early Learning have signed a **5 year lease** in a newly refurbished office warehouse owned by Australian Unity Investments in Port Melbourne. The three leases have a combined floor area of 6,500m2 and a total annual rent of \$737,000 p.a. showing a **rate per m2 of \$113**. The property overlooks the Yarra River and has a large warehouse with hardstand and truck access. Port Melbourne is located approximately 4 km south of the Melbourne CBD.

[AFR 09/04/2013]

Industrial Property, Smithfield NSW 2164

A warehouse building has been leased to Carpet maker Godfrey Hirst Australia in Smithfield, Sydney, at an annual rent rate of \$273,600. The company has leased 3110 m2 of warehouse space which includes 2 warehouse buildings and a corporate office building. The lease is for 5 years at a rate per m2 of **\$88**. The property is owned by Cromwell Property Group, and is around 31 km from the Sydney CBD.

[AFR 09/04/2013]

9 Melissa Place, Kings Park NSW 2148

A 1,648 m2 industrial property has been leased to KF Specialty Ingredients on a **5 year lease**. The rent was negotiated at a rate **per m2 of \$107.26**, showing an annual rent of \$176,764. The property is approximately 38 km west of the Sydney CBD.

[AFR 09/04/2013]

57-75 Templar Road, Erskine Park NSW 2759

ACR Supply Partners have leased 5,903 m2 of industrial facility on Templar Road in western Sydney's Erskine Park. The property is located near the M4 and M7 motorways, and was leased for a net rental **rate per m2 of \$110**.

It comprises an undercover loading and handling area and has clearances from 10 to 12 metres. 57-75 Templar Road is located approximately 50 km west of Sydney's CBD.

[AFR 23/04/2013]



137 Magowar Road, Girraween NSW 2145

A freestanding warehouse and office facility has been leased to Toby's Auto parts for a gross rental of \$118,085 a year. A **3 year lease** was negotiated for the 1243 m2 industrial property which is located approximately 30 km west of the Sydney CBD displaying a **rate per m2 of \$95**.

[AFR 23/04/2013]

241 Settlement Road, Melbourne VIC 3074

A 1000 m2 combined showroom warehouse in Thomas-town in Melbourne's North has been leased to Corporate Auto Body. The site at 241 Settlement Road is opposite a new Bunnings Warehouse and has easy access to the Metropolitan Ring Road.

The lease displays an annual net lease of \$90,000. The property is located approximately 30 km north east of Melbourne's CBD and displays a **rate per m2 of \$90**.

[AFR 30/04/2013]

Sydney Lease Wrap, 34 Airds Road, Minto NSW 2566

Altis Property Partners have leased a 24,000 m2 warehouse in Sydney's west to the world's largest manufacturer of carpet tiles, Interface. The lease presents a yearly rental rate of \$2 million and a **rate per m2 of \$83.3**. In conjunction with Campbelltown City Council, Interface has successfully changes the zoning of the property from warehouse to manufacturing. The Minto property is located approximately 55 km west of the Sydney CBD.

[AFR 30/04/2013]

Our Research

At Preston Rowe Paterson, we pride ourselves on the research which we prepare in the market sectors within which we operate. These include Commercial, Retail, Industrial, Hotel & Leisure and Residential.

Our Corporate Property Services We have property covered

- Investment
- Development
- Asset
- Corporate Real Estate
- Mortgage
- Government
- Insurance
- Occupancy
- Sustainability
- Research
- Real Estate Investment Valuation
- Real Estate Development Valuation
- Property Consultancy and Advisory
- Transaction Advisory
- Property and Asset Management
- Listed Fund, Property Trust, Super Fund and Syndicate Advisors
- Plant & Machinery Valuation
- General and Insurance Valuation
- Economic and Property Market Research

Types of Real Property We have all real estate types covered

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

- CBD and Metropolitan commercial office buildings
- Retail shopping centres and shops
- Industrial, office/warehouses and factories
- Business parks
- Hotels (accommodation) and resorts
- Hotels (pubs), motels and caravan parks
- Residential development projects
- Residential dwellings (individual houses and apartments/units)
- Rural properties
- Special purpose properties such as: nursing homes; private hospitals, service stations, oil terminals and refineries, theatre complexes; etc.

Types of Plant & Machinery We have all types of plant & machinery covered

We regularly undertake valuations of all forms of plant, machinery, furniture, fittings and equipment including:

- Mining & earth moving equipment/road plant
- Office fit outs, equipment & furniture
- Agricultural machinery & equipment
- Heavy, light commercial & passenger vehicles
- Industrial manufacturing equipment
- Wineries and processing plants
- Special purpose plant, machinery & equipment
- Extractive industries, land fills and resource based enterprises
- Hotel furniture, fittings & equipment

Our Clients We have all client profiles covered

Preston Rowe Paterson acts for an array of clients with all types of real estate, plant, machinery and equipment interests such as:

- Accountants
- Banks, finance companies and lending institutions
- Commercial and Residential non bank lenders
- Co-operatives
- Developers
- Finance and mortgage brokers
- Hotel owners and operators
- Institutional investors
- Insurance brokers and companies
- Investment advisors
- Lessors and lessees
- Listed and private companies corporations
- Listed Property Trusts
- Local, State and Federal Government Departments and Agencies
- Mining companies
- Mortgage trusts
- Overseas clients
- Private investors
- Property Syndication Managers
- Rural landholders
- Solicitors and barristers
- Stock brokers
- Trustee and Custodial companies

Our Service Area

We have all *locations* covered

From our central office location within the Sydney Central Business District we serve our clients' needs throughout the Sydney CBD, greater Sydney metropolitan area, throughout the state of New South Wales. For special purpose real estate asset classes, infrastructure, and plant & machinery we operate throughout Australia and globally either directly or through our relationship offices.

Reasons for our Services

We have *your needs* covered

Our clients seek our property (real estate, infrastructure, 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 and outgoings projections and analysis
- Insurance valuations (replacement & reinstatement costs)
- Leasing vacant space within managed properties
- Listed property trust & investment fund valuations & re-valuations
- Litigation support
- Marketing & development strategies
- Mortgage valuations
- Property Management
- Property syndicate valuations and re-valuations
- Rating and taxing objections
- Receivership, Insolvency and liquidation valuations and support/advice
- Relocation advice, strategies and consultancy
- Rental assessments and determinations
- Sensitivity analysis
- Strategic property planning

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