



**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.

**MARCH 2013**

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## Sales

### Commercial

#### 231 Elizabeth Street, Sydney NSW 2000

A 15 storey office building has sold for **\$201 million** from Investa Property Group and its wholesale property fund to Chinese investment house Bright Ruby. The A-grade building was originally completed in 1987 and has a floor area of 23,275 sqm.



It provides two levels of basement parking for 80 cars, retail space on the ground floor and 15 levels of office accommodation. The transaction shows a **rate per sqm of \$8,636**. Almost 100% of the building's income is derived from Telstra. [AFR 1/3/2013]

#### 162-166 Willoughby Road, Crows Nest NSW 2065

A mixed use development site has sold for **\$5.25 million** to private investment company Bridgelane. The site spans 1,000 sqm displaying a **rate per m2 of \$5,250**. The site sold improved with a commercial building. Crows Nest is situated around 7 km north of the Sydney CBD. [AFR 7/3/2013]

#### Office and car park sales wrap, NSW

Syndicator Primewest has purchased a half stake in twin office development and a car park and office building for a **combined \$81.5 million**. The properties are located in St Leonards and in Newcastle. The property in St Leonards has a lettable area of 20,037 sqm. Experts involved in the deal have expressed that the transaction would provide solid returns. [AFR 19/03/2013]

#### Optima Centre, Perth WA 6017

An office development which was completed in mid 2010 has sold for **\$105.67 million** from Alcock Brown Neaves Group and Macquarie Group to MGPA. The property is a 4.5 star NABERS and 4 star Green Star rated building with a total of 16,000 sqm. The sale shows a **rate per m2 of \$6,604**. The property is located within the Hersdman Buisness Park which is in Osbourne Park which is about 8 km north of the Perth CBD. [AFR 20/03/2013]

#### Office building, Mort Street, Canberra ACT 2601

A property in Canberra has sold for **\$14.75 million** from Trafalgar Corporate Group. The sale price is slightly higher than the book value. The vendor plans on using the sale proceeds to pay down debt. Mort Steet is located about 5 km north of the Canberra CBD. [AFR 27/03/2013]



### Industrial

#### 27-30 Sharp Court, Cavan SA 5094

Industrial property has sold for **\$12.3 million** to Harmony Property Syndication. The property has a building area of 8,200 sqm showing a **rate per m2 of \$1,500**. The property sold fully leased to Target Australia, on a **yeild of 8.2%**. Cavan is situated around 14 km north of the Adelaide CBD. [AFR 7/3/2013]

#### 1 Wonderland Drive, Eastern Creek NSW 2766

An industrial facility has sold with vacant possession for **\$12.3 million** to a private investor. The property has a building area of 9,581 sqm, representing a **rate per m2 of \$1,284**. Eastern Creek is located about 38 km west of the Sydney CBD. [AFR 7/3/2013]



### Retail

#### Shopping Centre, Merinda VIC 3754

A shopping centre has sold for **\$16.9 million** on a **yield of 7.76%**. The centre has a net lettable area of 4,200 sqm, showing a **rate per m2 of \$4,024**. The centre is located at 59 Mern-da Village Drive, which is about 44 km north of the Melbourne CBD. [AFR 14/03/2013]

#### Fairfield Forum Shopping Centre, NSW 2165

A shopping centre in western Sydney has sold for **\$32 million** to the Harrington Property Group. The centre sold on a **yield of 9.43%** and a **rate per m2 of \$1,782**. Fairfield Forum has 769 car parking spaces and is tenanted by Coles, Kmart and Trade Secret. The centre has a gross lettable area of 17,954 sqm and occupies a site area of 4.28 hectares. The centre is located along Station Street in Fairfield, which is around 30 km west of the Sydney CBD. [AFR 15/03/2013]

#### Retail sales Wrap, NSW & QLD

Stonebridge Property Group has sold three retail properties on behalf of BlackRock Asset Management. The centres include 7-15 Groves Road Homemaker Centre, the Fairfield East bulky goods centre in New South Wales and the Shore Street West Centre in Queensland. [AFR 22/03/2013]



### Residential

#### 19-33 Kent Street, Mascot NSW 2020

Goodman Group has sold a 31.5 hectare development site to Meriton Group for **\$100 million**. The site was valued by the Valuer General for \$23 million in July 2012, displaying the significant premium Meriton paid to fend off other prospective purchasers. The transaction reflects a **rate per m2 of \$3,175**.

The site is currently zoned B2 Local Centre under the Draft Botany Local Environmental Plan with a draft floor space ratio of 3.2:1, providing a draft GFA of 100,800 sqm. Meriton has plans for the site to include 1,000 apartments and a retail precinct, therefore showing a **rate per proposed unit of \$100,000 excluding the retail component**. Mascot is located around 11 km south of the Sydney CBD. [AFR 6/3/2013]

**88 Anzac Parade, Kensington NSW 2033**

A housing spanning eight titles has been acquired by Luxcon for **\$20.9 million**. The site which spans a site area of 3,335 metres, displays a **rate per m2 of land area of \$6,267**.

The new developers have plans to build 100 units on the site, showing a **rate per potential unit of \$62,353**. Experts within the industry have suggested that Sydney is one of the leading cities leading the way for price growth. The property is situated about 6 km south of the Sydney CBD.  
[AFR 7/3/2013]

**294-302 Pennant Hills Road, Carlingford NSW 2118**

A residential development site has sold for **\$9.8 million** from Carlingford Development Corp to property developer Dyldam. The property has the potential to produce 84 units, reflecting a **rate per potential unit of \$116,667**. Carlingford is located around 25 km north west of the Sydney CBD.  
[AFR 14/03/2013]

**Residential development site, Airlie Beach QLD 4802**

A residential development site has sold for **around \$10 million** to Latitude Development Group. The site has an approved master planned community complete with approvals for commercial and retail precincts, a country club and a golf club. The site spans 283 hectares, showing a **rate per hectare of \$35,336**.  
[AFR 21/03/2013]

**Hotels and Leisure****Holiday Inn on Flinders, Melbourne VIC 3000**

A hotel has sold for **almost \$50 million** from Singapore listed Lasseters International Holdings to Philip Carter of Carter Group. The 4.5 star hotel is has a site area of 1,729 sqm.

The property last transacted in early 2010 for \$44 million, showing almost a 12% increase. The address of the hotel is 575 Flinders Lane.  
[AFR 14/3/2013]

**Hotel Sales Wrap, ACT & Tasmania**

Two hotels have sold for **\$21.3 million** to Toga, NRMA and Zonie Group. The first hotel, Hotel Kurrajong, is based in Canberra and was purchased for \$7.65 million. The second hotel, Macquarie Inn, is based in Hobart and sold for \$13.65 million.  
[AFR 27/03/2013]

**Capital Raisings****\$250 million capital raising**

A **\$250 million capital raising** has been completed by GPT Group from US debt investors. The raising comes as GPT Group follows other real estate investment companies turning to local and international bond markets for funding, thus diversifying debt sources from banks.  
[AFR 21/03/2013]

**Leasing****Commercial****Level 9, 383 Kent Street, Sydney NSW 2000**

AMP has sub-leased space to WorkCover for a **term of two years** for 1,577 sqm of office space. The new tenant has agreed to pay \$946,200 p.a. showing a **rate per m2 of \$600 gross**.  
[AFR 5/3/2013]

**Level 14, 70 Franklin Street, Adelaide SA 5000**

Medical Insurance Group Australia has agreed to lease 1,300 sqm of office space for a **term of 10 years**. The new tenants have agreed to pay a **rate per m2 of over \$400**.  
[AFR 5/3/2013]

**Office space, Thomas Street, Dandenong VIC 3175**

A **15 year lease** has been signed for 4,000 sqm of commercial accommodation. The transaction reflects a **rate per m2 of \$225 net** showing \$900,000 p.a. Dandenong is around 35 south east from the Melbourne CBD.  
[AFR 6/3/2013]

**55 Little Edward Street, Spring Hill QLD 4000**

A **ten year lease** has been signed by the Queensland Fertility Group for 2,543 sqm of office space. The rental was struck at a **rate per m2 of \$450**. The on site facilities include a coffee shop, an outdoor break out area and has plentiful natural light. Spring Hill is located around 1 km north of the Brisbane CBD.  
[AFR 19/03/2013]

**World Trade Centre, Melbourne VIC 3005**

The Victoria Police have agreed to re-lease space for a **five year term** from joint landlords Arena and Asset1 WTC. The existing tenant will lease 47,250 sqm of riverside office space. In the last few years, the towers have been extensively upgraded.

The deal is estimated to be worth around \$90 million. The World Trade Centre is located along Siddley St in Melbourne.  
[AFR 22/03/2013]

**Industrial****2-10 Toll Drive, Altona North VIC 3025**

A **five year lease** has been signed by WA Freightlines for \$500,000 p.a. The accommodation is made up of 327 sqm of office space, 9,700 sqm of hardstand and 5,946 sqm of warehouse space. The lease displays a **rate of \$80 net**. Altona North is situated about 15 km west of the Melbourne CBD.  
[AFR 5/3/2013]

**12 Millennium Court, Silverwater NSW 2128**

Bedford Group has agreed to lease 1,404 sqm of industrial space for a **term of five years plus a five year option**. The disabled skill and employment services company will pay a **rate per sqm of \$167 gross** showing \$234,468 p.a. Silverwater is situated around 18 km west of the Sydney CBD.

[AFR 5/2/2013]

**Unit 2, 1-2 Bushells Place, Wetherill Park NSW 2164**

An industrial property has been leased by Childsmart for a **term of three years plus a three year option** for 1,214 sqm of floor space. The new tenant will pay an annual rental of \$109,260. The transaction reflects a **rate of \$90 per sqm**. Wetherill Park is located approximately 35 km west of the Sydney CBD.

[AFR 5/3/2013]

**Industrial property, Arundel QLD 4214**

Recall Information Management has leased an industrial complex for a **term of one year**. The new tenant will lease 1,490 sqm of warehouse accommodation for \$149,000 p.a. The dealing reflects a **rate per m2 of \$100**. Arundel is situated about 10 km west of the Gold Coast CBD.

[AFR 5/3/2013]

**48 Williamson Road, Ingleburn NSW 2565**

Kong's Century has leased space to Bulk Network for a **term of 10 years with two five year options**. The property features concrete panel walls, four container height roller doors, two levels of modern office space and over 500 m2 of fully covered awning area.

The new tenant will lease 5,730 sqm of industrial space at a **rate per m2 of \$98**. The transaction reflects an annual rental of \$561,540. Ingleburn is located around 44 km south west of the Sydney CBD.

[AFR 5/3/2013]

**8-12 Marigold Street, Revesby NSW 2212**

Office and warehouse space has been leased by Samcon Engineering for a **term of five years** for \$419,775 per annum or a **rate per m2 of \$87**. The lessor of the property is Byron Products. Revesby is situated around 30 km west of the Sydney CBD.

[AFR 12/3/2013]

**28 Percival Road, Smithfield NSW 2164**

An industrial property has been leased for a **term of five years**. The improvements span 11,368 sqm, displaying a **rate per m2 of \$85** or an annual rental of \$966,280. The new tenant, C&S Logistics will lease the space from Cromwell Property Group. Smithfield is situated around 30 km west of the Sydney CBD.

[AFR 12/3/2013]

**49 Leda Drive, Burleigh Heads QLD 4220**

Soul Centre has agreed to lease a warehouse on the Gold Coast's south for a **term of 10 years**. The Christian community organisation will lease 1,974 sqm of space which will be used for support and church services. Burleigh Heads is located about 16 km south of the Gold Coast CBD.

[AFR 12/3/2013]

**23-29 South Street, Rydalmere NSW 2116**

Instant Access has agreed to lease industrial space for a **term of five years**. The access equipment provider will occupy 3,165 sqm of space for \$364,067 p.a. showing a **rate per m2 of \$115**. Rydalmere is located around 20 km south west of the Sydney CBD.

[AFR 19/03/2013]

**1A Amour Street, Milperra NSW 2214**

A **four year lease** has been agreed to by BR Logistics for 3,243 sqm of warehouse and office space. The new tenant will pay \$308,085 p.a. showing a **rate per m2 of \$95**. Milperra is approximately 30 km west of the Sydney CBD.

[AFR 19/03/2013]

**Malaga Industrial Estate, Perth WA 6090**

Keto Pumps has agreed to lease 5,500 sqm of industrial space for \$475,000 p.a. The new tenant will lease the space for a **term of five years with a five year option** for an annual rental of \$475,000 or a **rate per m2 of \$86**. The estate is located 13 km north of the Perth CBD.

[AFR 19/03/2013]

**22 Centenary Avenue, Moorebank NSW 2170**

Nextgen Environmental has leased 1,903 sqm for a **five year term with a five year option**. They have agreed to pay an annual rental of \$363,473 which equates to a **rate per m2 of \$191**. Moorebank is situated around 36 km west of the Sydney CBD.

[AFR 19/03/2013]

**1 Wonderland Drive, Eastern Creek NSW 2766**

An industrial facility has been leased for a **term of six years** for around \$1 million p.a. FDM Logistics has agreed to occupy 9,594 sqm of accommodation, reflecting a **rate per m2 of \$104**. Eastern Creek is located about 38 km west of the Sydney CBD.

[AFR 26/03/2013]

**457 Waterloo Road, Chullora NSW**

Elite Logistics has leased an industrial property for a **term of 10 years** from lessor CFS Asset Management. The metro wine distributor will occupy the site spanning 26,250 sqm of total site area, with 16,051 sqm of building space. The total rental equates to \$1,589,078 p.a. showing a **rate per m2 of \$99**. Chullora is situated around 18 km west of the Sydney CBD.

[AFR 26/03/2013]

**152 Miller Road, Chester Hill NSW 2162**

Goodman Group has leased space to Brand Merchandising Solutions for a **five year lease with a five year option**. The lessee will lease 6,842 sqm of warehouse and office space for a **rate of \$95** showing \$649,990 p.a. Chester Hill is located around 28 km west of the Sydney CBD.

[AFR 26/03/2013]

**48B Egerton Street, Silverwater NSW 2164**

A **five year lease** has been agreed to by Uncle Bills Australia for 3,950 sqm of space. The new tenant will pay a **rate per m2 of \$135**. The property features a modern freestanding building featuring glass facade, marble entry stairway with glass atrium, along with refurbished office accommodation. The property also includes a high bay warehouse. Silverwater is situated about 18 km west of the Sydney CBD.  
[AFR 26/03/2013]

**Building 5, 338 Woodpark Road, Smithfield NSW 2164**

An office/warehouse has been leased for a **term of three years with a three year option**. The new tenant, Wales Trucks will pay \$340,000 p.a. for 3,494 sqm of space for a **rate per m2 of \$97**. No incentive was payable for the property. Smithfield is located about 30 km west of the Sydney CBD.  
[AFR 26/03/2013]

**5 Dunlop Road, Mulgrave VIC 3170**

An office/warehouse has been leased by a printing company for a **term of five years with a five year option**. The new tenant will lease 5,146 sqm of space for \$330,000 p.a. equating to a **rate per m2 of \$64**. Mulgrave is situated around 26 km south east of the Melbourne CBD.  
[AFR 26/03/2013]



**Retail**

**75A Dixon Road, Rockingham WA 6168**

City Farmers has leased retail accommodation for a **term of 10 years**. The bulk pet, garden and pool products supplier will occupy 1,402 sqm of space for \$280,400 p.a. showing a **rate per m2 of \$200**. Rockingham is situated around 50 km south of the Perth CBD.  
[AFR 12/3/2013]

**Midland Homemaker Centre, Midland WA 6056**

Petbarn has leased 1,001 sqm of retail space from BB Retail Capital for a **seven year term plus a five year option**. The new tenant will pay \$200,200 net p.a. reflecting a **rate per m2 of \$200**. The centre is located at 4 Clayton Street, which is about 23 km south of the Perth CBD.  
[AFR 19/03/2013]

## 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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## Capital City Offices

Melbourne

Adelaide

Brisbane

## Regional Offices

Albury Wodonga

Ballarat

Bendigo

Cairns

Central Coast/Gosford

Geelong

Gold Coast

Gippsland

Mornington

Newcastle

Wagga Wagga

## Relationship Offices

Canberra

Perth

Hobart

Darwin

Other regional areas