



**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.

MAY 2013

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Sales

Commercial

414 Elizabeth Street, Sydney NSW, 2010

A six level mixed use building in Surry Hills has been sold to a Chinese syndicate for **\$17.1 million**. The property has a total building area of 3,309 m² and is currently fully leased with a net passing rent per annum of \$1.43 million. The sale price represents an indicative **yield of 8.3%** and a **rate per m² of \$5,167**.

[AFR 09/05/2013]

Skyring Terrace, Brisbane QLD, 4006

PSP Investments and Charter Hall have entered in a partnership and bought FKP Property Group's Gasometer 2, Brisbane office development at Newstead, Brisbane. The proposed development tower is expected to be completed in late 2014. This 15 storey building will have a total area of 23,400 m² and will comprise approximately 24,800sqm of PCA A-grade office space plus 1,056sqm of retail space. It is suggested to reflect a **yield of 8%** for Charter Hall's \$1.8 billion Core Plus Office Fund and 50:50 joint venture partnership with PSP. Bank of Queensland has committed to 12,700sqm of the building's office space on an initial 12 year term and will also occupy approximately 475sqm of the retail space. On Completion the value of the building is estimated at **\$160 million**.

[AFR 08/05/2013]

Perth Sales Wrap

DEXUS Property Group has snapped up another development site for an astonishing **\$434.8 million**. Leighton Properties Kings Square development situated in the middle of Perth City Link is the third deal for DEXUS in the past six months, taking its investment commitments to around 41.5 billion.

[AFR 07/05/2013]

35 Robina Town Centre Drive, Robina QLD, 4226

Alceon Group has purchased the Foxtel building on the Gold Coast from BlackRock Investment Management, snapping the property up for **\$33 million**. The 6,760 m² site is located 35 Robina Town Centre Drive and is fully leased to Foxtel subsidiary Austar Entertainment. The weighted average lease expiry is 3.5 years with two five year options that present an annual net income of \$4.05 million. It offers a net lettable area of 9,814 m² and incorporates 157 undercover car parks and 111 podium-level car parks. The sale reflects a **rate per m² of \$3,362**.



[AFR 20/05/2013]

45 Pirie Street, Tusmore SA, 5000

Commonwealth Property Office Fund has sold its office tower at Pirie Street to CorVal Partners for **\$87 million**. No further details were released.

[AFR 23/05/2013]

825 Ann Street, Brisbane

A trust owned by Laing O'Rourke Australia Pty Ltd, has sold a recently completed 13-storey office building at 825 Ann Street in Brisbane's Fortitude Valley to Hines Global REIT Ann Trust, for **\$124,667,820**. The sale reflects an **initial yield of around 7.58%** on a passing net income of approximately \$9,450,000. The property boasts a gross floor area of 20,354 m² displaying a **rate per m² of \$6125**, with 976 m² retail space on the ground floor and 19,378 m² office spaces over levels 1 to 11. There is parking for 103 cars over two basement levels.

The building was designed by Rice Daubney and has been designed to achieve a 5-star Green Star rating and a 5-star NABERS energy rating. The main tenants are Laing O'Rourke, who have committed to a 10 year lease of 8,000 m² on levels 1 to 5 and Ergon Energy, who have committed to a 10-year lease of 6,500 m² space on levels 8 to 11. Other tenants include the Macquarie Group with 3,200 m² on level 6, Beca on level 5 and Select Plant Hire on level 3. The retail space is occupied by Apple retailer 4evermen with 600 m² and Stellarossa Espresso Bar.

[RP Data article, 31/05/2013]

Industrial

37-49 Browns Road, Clayton VIC, 3168

Abacus Property Group has bought and leased back a 31,873 m² industrial property built on a 6.1 ha block of land. The Australian printing business PMP has signed a 10-year lease at the property. The sale represents a **yield below 10%**. The property is located approximately 23 km east of Melbourne's CBD. No further information was found.

[AFR 23/05/2013]

Melbourne Sales Wrap

Abacus Property Group have sold two warehouses to two private investors in Melbourne's south-east. The properties came to a combined total of **\$10 million**, and have a **pre existing 12 year lease** to Colorpak Ltd. Both properties were sold on an **average yield of 8.25%**.

[AFR 31/05/2013]

Retail

380 Canning Highway, Perth, WA 6157

Hawaiian Property Group has purchased the Melville Plaza neighborhood shopping centre in south Perth for **\$29 million**. The sale price reflected a **13.7% premium** on the centres 2012 book value of \$25.5 million. The centre has 8,964 m² of gross lettable area on a 22,129 m² site. The estimated net income of this property is \$2.23 million. Melville Plaza is located 19 km south of the Perth CBD. The transaction displays a rate per m² \$3235.

[The AU 09/05/2013]

549 Underwood Road, Rochedale Qld, 4123

Hadley Green Investment Group has snapped up the 5,700 m² Rochedale shopping village in Brisbane for **\$20 million**, off listed grocery wholesaler Metcash. The centre is anchored by SUPA IGA and is fully leased to 21 specialty shops. The property has parking for 290 cars and is on a 21,800 m² site located approximately 20 km south of the Brisbane CBD.

[AFR 16/05/2013]

620-658 Terrigal Dr, Erina NSW, 2250

GPT Group has sold their half stake to South Korea's National Pension Service in the on the central coast for **\$397.1 million**. Erina Fair spans 113,700 m2 and had a sales turnover of \$ \$626.9 million in 2012, making it one of Australia's top 15 centres.

South Korea's National Pension Service will now co-own the centre with Lend Lease's wholesale APPF Retail Fund.

[AFR 21/05/2013]

**343 New England Highway, Rutherford NSW, 2320**

Sentinel Property Group has bought Hunter Supa Centre, a bulky goods centre near Maitland, outside Newcastle for **\$18.5 million**. The property has three relatively new building, displaying a total area of 19,768 m2 and parking for 438 cars, on a 50,000 m2 site. Major tenants include Fantastic furniture, Petbarn and Beta Electrical. The **initial yield, with vacancies was set at 11.5%**. The transaction shows a **rate per m2 of \$784**. The Supa Centre is located 39 km north-west of the Newcastle CBD.

[AFR 23/05/2013]

168 Sinnamon Road, Jindalee Qld 4074

BRB Retail Capital has purchased Jindalee Village Central in Brisbane's affluent inner south-west for **\$10.275 million**. Jindalee Village is located 13 km south west of the CBD and is in a trade area where incomes are 20% above the city's average. The Village sits on a 13,740 m2 site and has a gross lettable area of 3,685 m2 including a Coles of 2,500 square metres and 10 specialty shops. Two of the shops are vacant which lowers the **initial yield to around 7.8%**, however when fully leased Jindalee Village Central is expected to have a **yield closed to 9.3%**. The centre is located at 168 Sinnamon Road, which is approximately 15 km west of the CBD.

[AFR 31/05/2013]

**Residential****Residential Development Site, West Perth WA, 6005**

West Australian apartment developer Finbar has purchased a development site in Western Perth for **\$10.55 million**. The company intends to develop 240 dwellings on the 3,410 m2 site. The sale represents a **rate per m2 of \$3,093** and a **rate per proposed unit of \$43,958**.

[AFR 02/05/2013]

Hotels and Leisure**The Ibis Hotel, Sydney NSW, 2000**

Tourism Asset Holdings has sold The Ibis Hotel for **\$25 million**, displaying a **yield of approximately 7%**. The property is situated along King Street Wharf in the heart of the Sydney CBD.

[AFR 02/05/2013]

The Diamant Hotel, Potts Point NSW, 2011

Arena Property Fund has sold the Diamant Hotel in Sydney's Kings Cross for **18.2 million** to a Melbourne investor. The property, at 14 Kings Cross Road is located approximately 4km east of the Sydney CBD.

[AFR 02/05/2013]

Special Purpose**Shopping Centre Sales Wrap, Australia Wide**

Supermarket giant Coles and superannuation fund-backed property group ISTP have gone into partnership and purchased a portfolio of 19 shopping centres Australia wide, worth **\$532 million**. Coles will hold a 25% stake in the centres along with management rights.

[AFR 02/05/2013]

Rural**Rural Property, Queensland**

Australia's biggest Banana grower, Mackays has purchased 3,200 ha of high quality land for more than **\$10 million**. The property is located just outside Cooktown in far North Queensland. The sale represents a **rate per ha of approximately \$3,125**.

[AFR 13/05/2013]

**342 Hammond Road, Melbourne VIC, 3175**

An abattoir in Dandenong, in Melbourne's east has sold to AAD Recycling Services. The 6.88 ha site, occupied by the Castricum Brothers was sold for approximately **\$9 million**. The sale displays a **rate per m2 of \$135** and is located approximately 40 km south of the Melbourne CBD.

[15/05/2013]

Rural Property, QLD

Australian Agricultural Company (AACo) has sold three dry land and grazing properties in central Queensland for **\$23 million**. The sale will see AACo leaseback 7,800 ha of the total 19,404 ha sold. The 5 year leaseback is primarily of cropping land, and is "at a commercial rate", presenting a **rate per ha of \$1,185**.

[AFR 21/05/2013]

Capital Raisings**\$400 million Capital Raising**

Australia's largest diversified real estate investment trust, Stockland, have raised **\$400 million** to help fund a shopping centre expansion and repay debt. Industrial insiders have expressed that retail property was Stockland's greatest immediate opportunity given the group's expertise and investor demand. Stockland owns 41 shopping centres, which are expected to be worth \$5.5 billion by the end of 2013.

[AFR 22/05/2013]

Leasing

Commercial

250 St Georges Terrace, Perth WA 6000

A **10-year lease** has been signed by Oil and gas major Chevron for almost half of Perth's premium QV1 building. Chevron currently occupies 28,000 m2 of the building. No further details have been released.

[AFR 08/05/2013]



175 Power Street, Glendenning, NSW, 2761

1,570 m2 of office and warehouse space has been leased to BAR Group from a private owner on a **three year term**. The three year lease displays a net rental per annum of \$164,850 and a **rate per m2 of \$105**. The property is located 45 km west of the Sydney CBD.

[The AU 09/05/2013]

49-51 Rocco Drive, Scoresby VIC, 3179

Omnet Pty Ltd has signed a new **5 year lease** for an office and warehouse in Melbourne's south-east. The lease incorporates a modern 1,357 m2 building split between 389 m2 of office space and 968 m2 of warehouse space. The lease displays an annual net rent of around \$125,000 reflecting a **rate per m2 of \$92**. The property is located approximately 30 km south of the Melbourne CBD.

[AFR 21/05/2013]

699 Bourke Street, Melbourne VIC, 3000

AGL Energy has agreed to lease up to 15,000 m2 of space at Mirvac's Bourke Street development in Melbourne. The new tenant will occupy around 80% of the development.

[AFR 23/05/2013]

Industrial

16 Bessemer Drive, Dandenong VIC, 3175

Davis Food Ingredients have signed a **five and a half year lease** in a new industrial building at 16 Bessemer Drive in Melbourne's south. The property is 2,473 m2 double storey office warehouse space and displays a net annual **rent per m2 of approximately \$90**. 16 Bessemer Drive is located approximately 40 km south of Melbourne's CBD.

[AFR 07/05/2013]

108 Grindle Road, Brisbane QLD, 4106

A 2,000 m2 industrial property in Brisbane's south has been leased to Oil and gas services company Corpro. The property is divided into 1,430 m2 of warehouse and 197 m2 of office space. Corpro has agreed to a **six year lease**, with a six year option. 108 Grindle Road is located 13 km south of the Brisbane CBD.

[AFR 07/05/2013]



57-75 Templar Road, Erskine Park NSW, 2759

ACR Supply Partners has leased 5,903 m2 of industrial property in Erskine Park, Western Sydney. The lease displays an annual rent per annum of \$65,000 and a **rate per m2 of \$110**. The property is in close proximity of the M4 and M4 and is located approximately 46 km west of the Sydney CBD.

[The AU 09/05/2013]

84 Derrimut Drive, Melbourne VIC, 3030

Office and warehouse space has been leased to Furniture retailer Cosh Living. The property comprises 3,040 m2 of industrial building with 240 m2 of office space and 2,800 m2 of warehouse space. The lease presents a net rental of approximately \$228,000 per year, and a **rate per m2 of \$37**. 84 Derrimut Drive is located 20 km west of Melbourne's CBD.

[AFR 14/05/2013]

Industrial Property, Minto NSW, 2566

Freight transportation company J&E Vella has signed a **two year lease** for a 7,606 m2 warehouse at Minto, in Sydney's south-west. The agreed rental is \$562,844 p.a. which shows a **rate per m2 of \$74**, and the property is been leased from JSKM Pty Ltd. Minto is located approximately 55 km from west from the Sydney CBD.

[The AU 30/05/2013]

Retail

4 Clayton Street, Perth WA, 6056

Dog, cat, bird and reptile supply business Petbarn has leased a 1,001 m2 bulky goods centre on a **7 year term** at \$200,200 per annum, displaying a **rate per m2 of \$200 p.a.** The property is located 20 km east of the Perth CBD.

[AFR 14/05/2013]

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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