

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

18 Smith Street, Parramatta NSW 2150

An A-grade office building has sold for **\$47.5 million** from developer Capital Corporation to private equity company Atlis Property Partners. The building itself has 11,984 sqm of net lettable area, showing a **rate per m2 of \$3,964**.



Selling on a **yield of 9.82%**, the sale provides Capital with the flexibility to complete other developments. The major tenants within the building are Telstra and Suncorp Bank. Parramatta is located around 23 km west of the Sydney CBD.

[AFR 7/01/2013]

Development site, North Melbourne VIC 3051

A site has sold for **around \$19 million** to a private developer. The site spans 42,450 sqm showing a **rate per m2 of land area of \$448**. No further details were released.

[AFR 17/1/2013]



101 Grenfell Street, Adelaide SA 5000

An office building has sold for **\$43.1 million** from Cromwell Property Group. The property spans a site area of 2,670 sqm and is in close proximity to the Rundle Mall retail precinct. The tower has a floor area

of 13,196 sqm, reflecting a **rate per m2 of \$3,266**. Around 50% of the sale proceeds are expected to go towards paying down debt.

[AFR 30/1/2013]

Retail

Jindalee Homemaker Centre, QLD 4047

BB Retail Capital has purchased a bulky goods centre for **\$50.5 million** from the GPR Group. The centre itself is anchored by well-known retailers such as Freedom, Barbeques Galore, Nick Scali and Beacon Lighting. The site spans a total area of 5.8 hectares with 22,000 sqm of space in floor area and 620 car parking spaces.

The Homemaker centre was previously valued at around \$69 million back in 2007, with the latest sale price reflecting around 27% decrease in value. Selling on an **initial yield of 10.8%**, BB Retail Capital's chief executive has expressed that with low term deposit rates there has been much interest from self-managed super funds and investors. The centre is located at Goggs Road in Jindalee which is around 15 km south west of the Brisbane CBD.

[AFR 10/01/2013]

Homemaker Centre Aspley, QLD 4034

A retail bulky goods centre has sold to a private investor for **\$41.2 million**. GPT Group sold the centre, with the company expressing that the disposal of the asset would in turn support their retail portfolio.

The bulky goods centre accommodates tenants such as Rugs A Million, Sheridan Factory Outlet, Snooze, Pillow Talk and Nick Scali. The centre is situated at 815 Zillmere Road in Aspley, which is about 20 km north of the Brisbane CBD.

[AFR 10/01/2013]

Marina Mirage Shopping Centre, Main Beach QLD 4217

A waterfront shopping centre adjacent to Versace Hotel has sold for **\$52 million** from receivers KordaMentha to South Australian property billionaire Con Makris. The centre has a floor area of 11,800 sqm, reflecting a **rate per m2 of \$4,407**.

The centre is set over two levels of retail accommodation, with around 100 shops and 700 car parking spaces. Prestige tenants such as Hermes and Gant are amongst those who occupy the centre.

Marina Mirage is located at 74 Seaworld Drive, Main Beach which is around 8 km east of the Gold Coast CBD.

[AFR 14/1/2013]



Centro Surfers Paradise, QLD 4217

A major shopping centre metres from Surfers Paradise beach, Centro Surfers Paradise has sold for **\$162.5 million** to Challenger on behalf of an institutional client. Centro will remain the managing agent for the centre.

Experts within the industry have suggested that factors such as tourism and increasing population growth will help turn the struggling Gold Coast market around. The centre is

situated along Cavill Avenue in Surfers Paradise, which is about 5 km south of the Gold Coast CBD.

[AFR 21/1/2013]

Centro Toormina, NSW 2452

A shopping mall on the central coast of NSW has sold for **\$65.5 million** to Centro Retail Australia from the Centro MCS 16 investor syndicate.



The centre has a floor area of 21,000 sqm which displays a **rate per m2 of \$3,119**. The

acquisition is a related party sale, however industry experts have expressed that the price is in line with the book value. The address of the Centro is 5 Toormina Road in Toormina which is around 8 km south of the Coffs Harbour CBD.

[AFR 21/1/2013]

Plaza Arcade, Perth WA 6000

Two Western Australian investors, Con Berbatis and George Atzemis, have sold a retail property for **\$48 million** to Starhill Global Real Estate Investment Trust. The centre is a three-storey heritage listed building with a net lettable area of 2,322 sqm, showing a high **rate per m2 of \$20,672**.

Upon sale, there were around 30 specialty tenancies, including Billabong, Just Jeans and Sunglass Hut. Selling on a **yield of 7.8%**, the centre sold around 97% leased. The Arcade is situated at 650 Hay Street in Perth.

[AFR 29/1/2013]

Hotels and Leisure

Sebel Hotel, Mandurah WA 6210

A hotel has been purchased by FJM Equities for **\$15 million** from French hotel company Accor.



With 89 hotel rooms and six strata titled residential units, the transaction reflects a **rate per room of \$168,539**. It is unknown whether the sale included the six strata units.

The management of the 4 ½ star hotel will remain under hotel firm Accor. The Sebel is located at 1 Marco Polo Drive in Mandurah, which is around 5 km north west of the Mandurah CBD.

[The AU 24/1/2013 & AFR 24/1/2013]

Medical/Aged Care

Former Royal Women's Hospital site, Carlton VIC 3053

A decommissioned hospital has sold for **around \$38.3 million** from the Victorian Government to the University of Melbourne. The sales comes as the property was expected to reap around \$60 million which was going to go towards the cost of building the new Royal Women's Hospital in Parkville. The site is located at 96 Grattan Street, which is around 2 km north of the Melbourne CBD.

[AFR 30/1/2013]

Leasing

Commercial

190-200 George Street, Sydney NSW 2000

A pre lease has been signed by Ernst & Young to take up 28,000 sqm of floor space in a planned high rise development in the Sydney CBD.

The accountancy firm is believed to have agreed to a **rate per m2 of around \$1,000** showing an annual rental of \$28 million. The accounting firm will lease the space for a **term of 10 years**. The estimated construction cost of the Mirvac Group's proposed tower is \$500 million.

[AFR 22/1/2013] & [AFR 31/1/2013]

567 Collins Street, Melbourne VIC 3000

A pre lease has been signed by Corrs Chambers Westgarth for 8,800 sqm of commercial floor space. The development is expected to be completed by 2016 with the estimated construction cost of around \$450 million. No further details were released.

[AFR 24/1/2013]



808 Bourke Street, Melbourne VIC 3008

GPT Wholesale Office Fund has leased space to National Australia Bank extending their **lease term by 11 years**. The bank will continue to lease nearly 60,000 sqm.

[AFR 31/1/2013]

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

- 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 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.
- Extractive industries, landfills and resource based enterprises

Types of Plant & Machinery

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
- Hotel furniture, fittings & equipment

Our Clients

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 company 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



**We are
diversified**

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