



**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

157 Ann Street, Brisbane, QLD 4000

The City of Brisbane Investment Corporation's commercial building in the Brisbane CBD has been sold for **\$39 million** to Goldman Sachs. This is Goldman Sachs first direct property investment in Australia. The anchor tenant of the building is the Brisbane City Council, who has 6 years remaining on their lease. [AFR 03/10/2013]

78 Waterloo Road, Macquarie Park, NSW 2113

ASX listed property group Stockland has sold a **14,672 sqm** Macquarie Park office asset in Sydney to property fund manager CorVal who purchased the property on behalf of a club of wholesale investors. The property on Waterloo Road sold for **\$72 million** on a **yield of between 7% and 8%**. The sale displays a **rate per sqm of around \$4,907**. The eight level building was built in 2009 and it achieved a 5.5 star NABERS ranking. Macquarie Park is located approximately 17 km north-west of the Sydney CBD.



[AFR 01/10/2013]

399 Lonsdale Street, Melbourne, VIC 3000

FKP Property Group has sold an office tower at **399 Lonsdale Street, Melbourne** for **\$31.5 million**. The sale price reflected a 2% premium to book value. No further details were released. [AFR 10/10/2013]

850 Lorimer Street, Fishermans Bend, VIC 3207

Centuria Capital has sold a two storey office building for **\$11.25 million** in Port Melbourne. The property was sold to an unnamed major Australian industrial property developer. The **5,583 sqm** building is tenanted by specialist bulk logistics providers Kalari and Phillips Australia on 5 year leases. This sale represents a **rate per sqm of approximately \$2,015**. The property is located approximately 5 km south-west from Melbourne's CBD.



[AFR 18/10/2013]

3350 Pacific Highway, Springwood, NSW 2777

A private investor has purchased Deloitte's commercial and retail building along with a car park located 19 km south of Brisbane's CBD for **\$11.3 million** reflecting a **yield of 7.42%**. The **9,525 sqm** property, home to tenants Tribeca Homes and Shine Lawyers displays a **rate per sqm of approximately \$1,186**. The property is currently 44% vacant. [The AU 31/10/2013]

Industrial

8-12 Wiggs Road, Riverwood, NSW 2210

A private investor and owner-occupier have purchased an industrial property at **8-12 Wiggs Road, Riverwood** in Sydney's south-west for **\$9.7 million**. The property was purchased from Hills Holdings and comprises six warehouse and office buildings with a total area of **8,899 sqm**. [AFR 01/10/2013]

25 Strezlecki Avenue, Sunshine West, VIC 3020

Fund Manager Propertylink has purchased a **36,500 sqm** industrial site at **25 Strezlecki Avenue, Sunshine West**, approximately 20 km from the Melbourne CBD for **\$8.5 million**. The site comprises of a **10,500 sqm** warehouse and is leased to German refrigeration and air-conditioning company Bitzer SE. The property was purchased from the Charter Hall Syndicate Visokai Pty Ltd.

[AFR 04/10/2013]

2-16 Salisbury Road, Silverwater, NSW 2128

Kitchen and home appliance retailer Winning Appliances have sold their Silverwater property for **\$8.067 million** to Sydney based developer Dyldam. The industrial property is a **7,000 sqm** freestanding high clearance warehouse with a three level office component. The sale represents a **rate per sqm of \$1,152** and a passing rental reflecting a **yield of 8.18%**.



[AFR 21/10/2013]

45 Fulton Drive, Derrimut, VIC 3030 & 1248 Lytton Road, Hemmant, QLD 4174

Sydney based investment group Propertylink have purchased two refrigerated warehouses in Victoria and Queensland for a combined total of **\$63.4 million**. The two properties offer **19,216 sqm** of gross lettable area on sites measuring a total of **64,934 sqm**. Both properties are leased to Rand Transport on a long term lease of more than 13 years. These two purpose built warehouses bring in a total net income of \$5.1 million per annum presenting a **yield of approximately 8%**.

[AFR 22/10/2013]

Sydney Sales Wrap

An unnamed developer has purchased three industrial units in Waterloo, Sydney for a combined value of **\$8.625 million**. The industrial complex which spans more than **3,300 sqm** has recently been rezoned to residential. The sale displays a **rate per sqm of around \$2,613**. Waterloo is 4 km to the south west of the CBD. No further details were released.

[AFR 24/10/2013]

Gracemere Industrial Park, Rockhampton, QLD 4700

Charter Hall Direct Industrial Fund No. 2 has purchased a new **\$12.5 million** industrial facility in Gracemere Industrial Park, Rockhampton. The acquisition reflects a **yield of 8.5%**. Gibb Group intends to develop the property into a logistics facility that will incorporate administration offices and a high clearance warehouse, with concrete paved driveways and truck manoeuvring areas. Toll Holdings has committed to a 12-year lease with two 5-year options and fixed rental increases of 3.75 per cent per annum.

[AFR 28/10/2013]

Retail

Sandridge Road, East Bunbury, WA 6230

The Bunbury Forum shopping centre has been purchased by Challenger from private syndicate Atlas Point for \$145 million. The **22,367 sqm** property sold on a **yield of 6.5-6.6%** displaying a **rate per sqm of approximately \$6,482**. The centre is located 180 km south of Perth.
[AFR 03/10/2013]

Southport-Nerang Road, Ashmore, QLD 4214

Engage Capital will purchase the **8,800 sqm** Ashmore City Shopping Centre on the Gold Coast for a reported **\$37 million**. The centre is anchored by an IGA supermarket and was sold on an approximate **passing yield of 8.5%**.

The centre has 40 specialty stores, a freehold medical centre and convenience centre. The property sits on a **2.6 hectare** site which has potential for up to another **5,000 sqm** of retail development.
[AFR 10/10/2013]



970 Nepean Highway, Moorabbin, VIC 3189

Abacus Property Group has sold the Moorabbin House and Home bulk goods centre. The sale price of the centre was **\$31.5 million** reflecting an **8% yield**. No further details were released.
[AFR 29/10/2013]

Residential

15-31 Victoria Street, Roseville, NSW 2069

China-based developer Longton Group has sold approximately 80% of its apartment development in Roseville, Sydney. The 220 apartment development worth **\$200 million** covers **1.37 hectares** and is situated across the road from the exclusive girl's school, Roseville College. Roseville is located approximately 12 km north of the Sydney CBD.
[AFR 01/10/2013]



44 Cowle Street, West Perth, WA 6005

A private family have sold their **3,409 sqm** development site to Citypoint Nominees in West Perth. The site sold with potential for a development of up to 70 apartments for **\$5.7 million**, reflecting a **value per sqm of \$1,672** or **\$81,000 per proposed unit**. The property has a height limit of three storeys and a loft, as well as the option to build a fourth storey. Cowle Street is located around 3 km north of the CBD.
[AFR 03/10/2013]

Tyler Street, Preston, VIC 3072

A private Asian developer has paid the Victorian Government **\$5.85 million** for a **14,000 sqm** site in Melbourne's north. The site which was previously occupied by the Northern School for Autism is expected to be used for residential development. No further details were released.
[AFR 03/10/2013]

Victoria Sales Wrap

Chinese state owned developer Greenland Group has purchased Racing Victoria's freehold land in The Hill precinct site next to Flemington Racecourse. The acquisition of this land is the first step towards the site being developed into a **\$6 million** complex comprising 2,000 apartments and a boutique hotel. No further details were released.
[AFR 09/10/2013]

Melbourne Sales Wrap

A Singaporean investor has paid **\$30 million** for a development site in Melbourne's Southbank. The **3,096 sqm** site was previously owned by Australand Property Group and was the remaining site in Australand's Freshwater Place precinct on the riverbank, opposite the CBD. The sale displayed a **rate per sqm of approximately \$9,690**. Southbank is around 2 km south of the CBD.
[AFR 25/10/2013]

Specialised Properties

Melbourne Sales Wrap

The sale of **3 Collins Square**, Melbourne to CIMB-TCA Australia at a price of around **\$279 million** has been confirmed by the Walker Corporation. TCA has purchased the property on behalf of its institutional investors in its fifth foray into the Australian property market since 2011.
[AFR 01/10/2013]

Hotel/Leisure

Main South Road, Darlington, SA 5047

The Flagstaff Hotel in Adelaide has been sold to a private South Australian Investor for a price believed to be more than **\$13 million**. No further details were released.
[AFR 01/10/2013]

Leasing

Commercial

183 Varsity Parade, Varsity Lakes, QLD 4227

A **2,000 sqm** office suite has been leased by Call Centre operator Sykes Australia. The **6 year lease** covers the first floor and part of the ground floor, providing enough room for up to 200 workers. Sykes Australia has agreed to pay an **annual rental per sqm of between \$315 and \$330**. Varsity Lakes is approximately 5 km south of the Gold Coast CBD.
[AFR 01/10/2013]

800 Toorak Road, Tooronga, VIC 3146

Coles Group has renewed its lease of a **42,000 sqm** office complex for its Melbourne headquarters known as 'Battlestar Galactica' due to its spaceship like appearance. The current lease expires in November 2016 and has been renewed until January 2030 increasing the WALE from 3 years to 17 years.
[Property Observer 23/10/2013]

338 Pitt Street, Sydney, NSW 2000

Hipages Group an online personal training and natural health network have leased a **1,200 sqm** office suite in the Sydney CBD. The lease represents a gross **annual rental per sqm of \$550**. No further details were released.
[AFR 22/10/2013]



20-22 Gardiner Road, Notting Hill, VIC 3168

Office print services provider RBC Business Solutions has leased a 1,016 sqm office and showroom space in Notting Hill, south east Melbourne. The lease includes 30 parking bays and a ground floor showroom. The lease is for 5 years displaying an annual rental of \$190,000 and a rate per sqm of \$187 excluding GST. Notting Hill is located 20 km south east of the CBD. [SMH 23/10/2013]

Industrial

421 Foley's Road, Derrimut, VIC 3030

Derrimut Indoor Soccer Club has leased a brand-new facility in the Paramount Industrial Estate in Melbourne's west. The new facility is 1,400 sqm and has been leased for 3 years for a net rental of \$105,000 p.a. displaying a rate per sqm of \$107. The property is situated around 22 km west of Melbourne's CBD. [AFR 01/10/2013]

54 Somerset Street, Minto, NSW 2566

A 1,483 sqm warehouse and concrete panel factory has been leased by Ductwork and sheet manufacturer Bravo Industries. The property, in south-western Sydney is a five minute drive from the M5 Motorway and within 300 metres of Minto train station. The property has 2 levels of office space, a large modern reception on the ground floor and a large boardroom on the mezzanine level. The lease is for a term of 3 years with a 3 year option to extend with rental of \$74.17/sqm in the first year, \$80.92/sqm in the second year and \$84.29/sqm in the third year.

130 Dunning Street, Roseberry, NSW 2474

Precision Automotive, a car park retailer and mechanic has leased a 1,760 sqm warehouse site at 130 Dunning Street, Roseberry for a 5 year term with a 3 year option to extend for a net annual rental of \$184,800. This reflects a rate per sqm of \$105. [AFR 15/10/2013]



1 Tyrone Place, Erskine Park, NSW 2759

Vermeer Australia, a construction and mining equipment wholesaler has leased a 2,827 sqm office and warehouse facility in Erskine Park, from Bootes Management. The property was leased for a 5 year term with a 5 year option to extend at a net annual rental of \$100 per sqm. [AFR 15/10/2013]

195-203 Forster Road, Mount Waverley, VIC 3149

Recycling, a recycling group has taken out a 3 year lease with a 3 year option to extend at a warehouse and office facility at Mt Waverley in Melbourne's south-east. The site comprises a 6,151 sqm office warehouse facility split between a 5,691 sqm warehouse and a 460 sqm office space. The rent was undisclosed but is believed to be approximately \$480,000 per year net which would reflect a rate of \$78 per sqm. [AFR 15/10/2013]

513 Mount Derrimut Road, Derrimut, VIC 3030

Australian Container Freight Services has leased a 12,750 sqm warehouse in Derrimut in Melbourne's west. The property includes a hardstand which is capable of withstanding loads greater than 100 tonnes. The lease displays a rate per sqm of \$75. Derrimut is situated approximately 20 km west of the CBD. [AFR 22/10/2013]

43 Riverside Road, Chipping Norton, NSW 2170

Centrum Printing has leased a 3,000 sqm office and warehouse. The lease is on a 7 year term presenting an annual rent of \$300,000 and a rate per sqm of \$100. Chipping Norton is located 36 km south-west of the CBD. [AFR 22/10/2013]



57 Hayward Street, Stafford, QLD 4053

Slattery Auctions has expanded into Queensland signing a lease for a 2,500 sqm warehouse with 6,500 sqm of hardstand space in Brisbane's north. Slattery Auctions will pay \$350,000 per annum on a 5 year lease with a 5 year option to extend. The lease represents a rate per sqm of approximately \$39. Stafford is situated around 9 km north of the Brisbane CBD. [AFR 22/10/2013]

75-77 Cowpasture Road, Wetherill Park, NSW, 2164

Food container manufacturer Scoform Plastics has signed a 3 year lease with two 3 year options for an industrial property in Sydney's west. The group will pay a rate per sqm of \$110 for the 1,400 sqm property. Wetherill Park is located approximately 34 km west of the Sydney CBD. [AFR 22/10/2013]

16 Eagle Drive, Jandakot, WA 6164

Supermarket group Aldi have leased a 13.5 hectare site at Jandakot Airport, where it will build a 48,000 sqm warehouse and distribution centre. The leasehold is held by Jandakot Airport Holdings, owned by property developer Ascot Capital. No further details were released. [AFR 23/10/2013]

1/73-81 Bessemer Drive, Dandenong South, VIC 3175

National wholesale building materials supplier Woodhouse Timber Company has secured an office, showroom and warehouse facility at Victoria's First eco-industrial business park in Melbourne, Dandenong Logis. The 2,001 sqm brand new building comprises 386 sqm of office and showroom space and a 1,615 sqm warehouse. The warehouse space has been leased by Woodhouse, a supplier to Bunnings Warehouse on a 3 year term for an annual rental of approximately \$150,000, displaying a rate per sqm of \$75. Dandenong is situated approximately 38 km south-east of the CBD. [AFR 29/10/2013]

Clay Place, Eastern Creek, NSW 2766

Geolocation and GPS technology company Garmin are relocating to a purpose built industrial facility in Sydney's Eastern Creek industrial precinct. The company have leased a 6,000 sqm facility controlled by Fife Capital. The facility is divided into 2,000 sqm of office space and a 4,000 sqm warehouse. The lease is on a 12 year term displaying a rate per sqm of \$190. Eastern Creek is situated around 40 km north-west of Sydney's CBD. [AFR 29/10/2013]

342 Armadale Road, Banjup, WA 6164

Timber storage and distribution business C2C have leased a **1,800 sqm** purpose built warehouse facility at Banjup in Perth's southern suburbs. The property has a large clear span warehouse and is one of four units within the popular complex. C2C have agreed to a **3 year lease**, with a **3 year option** paying a **net rental of approximately \$160,000 per annum** displaying a **rate per sqm of \$89**. Banjup is located around 25 km south of Perth's CBD. [AFR 29/10/2013]



Retail

2 Stockdale Road, O'Connor, WA 6163

Stationary chain Officeworks, owned by Wesfarmers has signed a **3 year lease** with two **5 year options** for a **2,002 sqm** store in Western Australia. The lease displays a **net annual rent of \$440,440** and a **rate per sqm of \$220**. O'Connor is located approximately 20 km south-west of Perth's CBD. [AFR 08/10/2013]



2 Stockdale Road, O'Connor, WA 6163

Hollywood Lighting has leased a **1,001 sqm** shop space in the Stockdale Road Retail Centre. The shop is next to Officeworks and in front of a large customer car park. The lease is for a **8 year term** with a **5 year option** to extend at an **annual net rental of \$215,215** reflecting a **rate per sqm of \$215**. [AFR 15/10/2013]

Capital Raisings

\$147.5 million capital raising

The Galileo Japan Trust has raised **\$147.5 million in equity** in order to recapitalise the trust and reinstate distributions. The joint lead managers and underwriters of the raising were Macquarie Capital and Moelis. No further details were released. [AFR 04/10/2013]

\$569 million capital raising

The GPT Wholesale Shopping Centre Fund (GWSCF) has beaten a capital raising target with an oversubscribed offer of **\$569 million**. The fund intends to use the capital to improve gearing in the unlisted vehicle and to prepare for further acquisitions.

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 property markets as well as infrastructure, capital and plant and machinery markets

We have property covered

- Investment
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- Real Estate Development Valuation
- Property Consultancy and Advisory
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- 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

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.
- Infrastructure

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

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
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- Private investors
- Property Syndication Managers
- Rural landholders
- Self managed super funds
- Solicitors and barristers
- Sovereign wealth funds
- Stock brokers
- Trustee and Custodial companies

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.

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
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- Asset Management
- Asset Valuations for financial reporting to meet ASIC, AASB, IFRS & IVSC guidelines
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- 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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