



**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.

**FEBRUARY 2014**

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Phone: +61 2 9292 7400

Fax: +61 2 9292 7403

Address: Level 11, 80 Clarence Street Sydney NSW 2000

Email: [mailroom@prpsydney.com.au](mailto:mailroom@prpsydney.com.au)

Follow us: Visit [www.prpsydney.com.au](http://www.prpsydney.com.au) to follow us

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## Sales

### Commercial

#### 135 King Street, Sydney, NSW 2000

Investa Commercial Property Fund has finalised its purchase of a **\$130 million**, half stake in the 135 King Street Tower in Sydney. The stake in the 31,030 m<sup>2</sup> building was acquired on a **7% yield** after co-owner Stockland nominated ICPF as the buyer in December. The 29 storey 'A' grade tower is adjacent to Pitt Street Mall and is 74% occupied. This sale displays a **rate per m<sup>2</sup> of approximately \$4,189**.

[AFT 04/02/2014]

#### 52 Alfred Street, Milsons Point, NSW 2061

Rich List property investor Bob Eil has sold one of his Sydney apartments to Developer Bridgehill. The Developer paid around **\$80 million** for the Kimberley Clark office building in Milsons Point. The existing Kimberley Clark building is around 10,000 square metres of building area displaying a **rate per m<sup>2</sup> of \$8,000** and a **rate per proposed apartment between \$475,143 and \$400,000**. It is likely that Bridgehill will aim to develop the property to accommodate 175 to 200 apartments.

[AFR 06/02/2014]



### Industrial

#### 30-34 Ricketty Street, Mascot, NSW 2020

A private investor has purchased an adjoining office warehouse facility in Sydney's south east for **\$5.1 million**. The property has a total building area of 2,405 m<sup>2</sup> spanning across two lots displaying a **rate per m<sup>2</sup> of approximately \$2,121**. Mascot is located around 7 km south west of the CBD.

[AFR 06/02/2014]

#### South West Brisbane Industrial Sales Wrap, Wacol & Archerfield, QLD

Propertylink has purchased two industrial properties in Queensland's south west Brisbane for a combined value of **\$62.5 million**. DEXUS property group sold the properties which were located in Wacol and Archerfield to the Sydney based Property investment and management group. The transaction is part of Propertylink's plan to establish a national industrial footprint. No further details were released.

[AFR 13/02/2014]

#### Leitchs Road, Brendale, QLD 4500

ARB 4X4 Accessories has purchased industrial land in Brisbane for around **\$5 million**, with the intentions to build a purpose built 8,500 m<sup>2</sup> warehouse on the 2.2 hectare site pending development approval from the Moreton Bay Regional Council. The site is located in Investa Land's New Base Business Park at Brendale. The deal was struck at a **rate per m<sup>2</sup> of \$220**. The New Base Business Park is located 24 km from the Brisbane Airport and CBD.

[AFR 13/02/2014]

#### Australian Industrial REIT Sales Wrap

Australian Industrial REIT (ANI) has recently acquired a portfolio of six industrial properties from national property syndicator Primewest. The purchase of these six properties came to a combined total of **\$81.2 million** reflecting an initial **yield of 9.3%**.

The portfolio consists of four Victorian properties and two office warehouse facilities in Western Australia. The combined area of the six properties is 95,000 m<sup>2</sup> displaying a **rate per m<sup>2</sup> of approximately \$855**. Major tenants include Amcor Packaging, CBI Constructors and Kentz, Gerard Land and McHugh & Eastwood.

[AFR 25/02/2014]

### Retail

#### 72 Main Road, Edgeworth, NSW 2285

West Australian property syndicator Primewest has paid **\$22.2 million** for neighbourhood shopping centre in Newcastle, NSW. The sale of the 7,298 m<sup>2</sup> centre which was sold on a **passing yield of 8%** with potential to deliver yields of 9.5% if vacancies are leased. This sale displays a **rate per m<sup>2</sup> of approximately \$3,042**. The town square which is anchored by a newly upgraded Coles Supermarket is Primewest's latest addition to a string of retail investments. The complex includes two mini-majors, speciality shops and 289 car spaces in addition to kiosks and office space.

[AFR 04/02/2014]

#### Fitzgerald Street, Northam, WA 6401

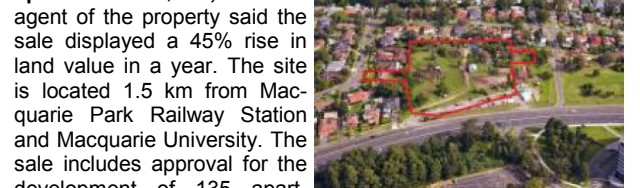
Northam Boulevard Shopping Centre in Western Australia has been sold by Kahula Pty Ltd and Shaunella Pty Ltd who have owned the neighbourhood shopping centre since 1999, to a private investor in an off market deal for **\$14.05 million**. The sale of this 6,346 m<sup>2</sup> centre displays a **rate per m<sup>2</sup> of approximately \$2,214** and was sold on a **yield of 8.5%**. The Northam centre is anchored by Woolworths which has a long term lease until 2030. Other tenants include OPSM, Thingz, Red Dot and Subway. Northam is located approximately 100 km from Perth.

[AFR 25/02/2014]

### Residential

#### 5 Whiteside Street, Macquarie Park, NSW 2113

EG Funds Management has sold a 13, 900 m<sup>2</sup> residential development site in Macquarie Park, Sydney. The site was bought by a Chinese fund manager for **\$25.177 million**, displaying a **rate per m<sup>2</sup> of approximately \$1,733** and a **rate per proposed apartment of \$186,496**. The agent of the property said the sale displayed a 45% rise in land value in a year. The site is located 1.5 km from Macquarie Park Railway Station and Macquarie University. The sale includes approval for the development of 135 apartments in buildings of two to five stories. EG Funds Management purchased the property in 2006 for \$6.5 million, and added extra Value through the rezoning of the property.



[AFR 04/02/2014]

### Rural

#### Tasmanian Sales Wrap

A local Tasmanian farmer has purchased the historic 2,154 hectare Norton Mandeville agricultural holding in the Derwent Valley. The vendor who was a US investor and purchased the property for \$8 million in 2008, sold the property to the local Tasmanian farmer for **\$6.5 million**. The sale displays a **rate per hectare of approximately \$3,018**. Norton Mandeville is in the township of Greta, less than an hour's drive from Hobart. Norton Mandeville has 2,154 hectares of productive farmland including 430 hectares of established irrigation land.

[AFR 24/02/2014]

## Specialised Properties

### Sales Wrap, Ice Cream Facility Melbourne, VIC

Charter Hall's Core Logistics Partnerships has paid **\$62 million** for the Peters ice cream facility in Melbourne's south east. The Mulgrave Facility contains the ice cream maker's main manufacturing plant in Australia. The sale of this 14.4 hectare site which was put on the market in 2013, after the brand was taken over from Nestle by Pacific Equity Partners displays a **rate per m2 of approximately \$431**. The sale includes 5.5 hectares of surplus land and is based on a 20 year leaseback to Peters.  
[AFR 11/02/2014]

## Leasing

### Commercial

#### 263 Adelaide Terrace, Perth, VIC 6004

The Australia Bureau of Statistics has made one of the largest leasing deals in the last 12 months for the city of Perth. The ABS will relocate its Perth office to Stockland's Durack Centre where they will occupy levels 1 and 2, which span approximately 3,063 m2 of A-grade building. No further details have been released.



[AFR 05/02/2014]

#### 693 Burke Road, Camberwell, VIC 3124

The Warranty Group, International insurance and Warranty specialists have leased two office floors with a combined area of 1,100 m2 in Camberwell, Melbourne. The space which has recently been refurbished, will become The Warranty Group's head office premises. No further details were released.

[AFR 11/02/2014]

#### 175 Liverpool Street, Sydney, NSW 2000

In May 2014 the office of the Commonwealth Director of Public Prosecutions will relocate to 175 Liverpool Street, Sydney. The department has secured 3,170 m2 of office space over 2 levels over a **10 year lease**. The rent is believed to display a **rate per m2 of around \$750**. Other major tenants include Telstra, GrainCorp and Delta Electricity. The building which overlooks Hyde Park and has views of the harbour is currently been refurbished.

[AFR 25/02/2014]

#### 1-9 Dandenong Street, Dandenong, South VIC 3175

The Victorian government had leased a 2,450 m2 Green Star office building on the fringe of Dandenong central business district. The government has agreed to a **10 year lease** at a **rate per m2 of approximately \$290**. The site is currently under construction and is due for completion in May this year. Upon completion it is expected to achieve a Green Star rating of 3-5, a NABERS rating of 4.5 and a minimum water rating of 4.0 stars.

[AFR 25/02/2014]

#### 271 Collins Street, Melbourne, VIC 3000

Recruitment agency IPA Personnel has agreed to a **5 year lease** of 1,134 m2 of level four-space in Melbourne's CBD. IPA Personnel are expected to pay an **annual rent of about \$430 per m2**. No further details have been released.

## Industrial

#### 100 Drummond Street Carlton, VIC 3053

Not for Profit Family services agency Drummond Street Services will move into a modern terrace style office in Melbourne's Carlton after leasing 1,680 m2 of industrial space. The agency has agreed to a net **rental per m2 of \$ 280** on a **10 year lease**. Carlton is located 2.6 km north east of the CBD.

[AFR 25/02/2014]

#### 38-46 Bernera Road, Prestons, NSW 2170

Salmat Mediaforce a leading letter box advertising service will be moving into a purpose built facility in Prestons, in Sydney's south west from their current facility in Moorebank. The group has agreed to a **10 year lease** of the 8,000 m2 site, with a **rate per m2 suggested to be between \$125 and \$130**. The property has high quality office space, good truck access and large awning areas. Prestons is located around 40 km south west of the Sydney CBD. No further details were released.

[AFR 04/02/2014]

#### 3-9 Birralee Road, Regency Park, SA 5010

Mining contractor Halliburton has leased 9,600 m2 of warehouse space in South Australia's Regency Park. The property which is managed by Lend Lease Investment Management is located in Adelaide's northern suburbs in an established industrial area approximately 9 km north west of the CBD. Halliburton will pay around **\$1.05 million per year**, for the 2.3 hectares site on a **10 year lease**. This displays a **rate per m2 of approximately \$46**.

[AFR 11/02/2014]

#### 1 Fiveways Boulevard, Keysborough, VIC 3173

Trampoline centre Xtreme Air will relocate to a new office and warehouse space in south east Melbourne after securing a 3,500 m2 property along Springvale Road. The group will pay a **net rental of around \$277,000** over a **10 year term**. The site comprises a 490 m2 office, split over two levels and a clearspan warehouse measuring 3,168 m2. The site will be open seven days a week and includes a jump court, dodgeball court, six foam pit lanes and four slam dunk lanes.

[AFR 11/02/2014]

#### 30 Sawmill Circuit, HUME, ACT 2620

Logistics Provider Tony Innaimo Transport has leased a 3,000 m2 warehouse in Canberra's industrial suburb of Fyshwick, located just behind the markets. The lease which is on a **5 year term with a 5 year option** displays a **gross rental per m2 of \$86**. The site is split over two buildings and has access points through large roller doors and a large yard for external parking and storage.



[AFR 25/02/2014]

**9B 81-85 Roberts Road, Chullora, NSW, 2190**

Specialist formwork company International Formwork has leased a 1,189 m2, high clearance warehouse in Chullora. The property which is located in an established industrial precinct has access to major arterial roads including the M4 and the M5 motorways. The lease displays a **rate per m2 of \$100** for a **3 year term**. Chullora is located approximately 17 km south west of Sydney's CBD. [AFR 25/02/2014]



**Units 1 & 2 25 Frenchs Forest Road, Frenchs Forest, NSW 2086**

Medical and sports brace manufacturer DJO Global has leased two units at the Allambie Grove industrial estate in Sydney's Frenchs Forest. The units are 2,634 m2 and have been leased for **3 years** on a gross rental of \$554,246 displaying a **rate per m2 of approximately \$210**. Both units have signage exposure to Frenchs Forest Road, convenient truck access at the rear and parking spaces. Frenchs Forest is located approximately 16 km north east of the CBD. [AFR 25/02/2014]

**Retail**

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

Early Settler, a furniture retail company have leased 1,307 m2 of retail space in the Hunter Supa Centre in Rutherford in NSW's Lower Hunter Region. The centre is located around 40 km north west of Newcastle and 160 km north of Sydney. The lease displays a **gross rental on \$200,000 per year** on a **5 year term** with a **5 year option** at a **rate per m2 of approximately \$153**. [AFR 11/02/2014]



## 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
- 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

## 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
- 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
- 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
- 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

### **Sydney (Head Office)**

Level 11, 80 Clarence Street  
Sydney NSW 2000

PO BOX 4120, Sydney NSW 2001

P: 02 9292 7400

F: 02 9292 7403

E: [mailroom@prpsydney.com.au](mailto:mailroom@prpsydney.com.au)

W: [www.prpsydney.com.au](http://www.prpsydney.com.au)

#### **Preston Rowe Paterson NSW Pty Ltd**

**ACN: 61 003 139 188**

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### **Directors**

#### **Greg Preston**

M: 0408 622 400

E: [greg.preston@prpsydney.com.au](mailto:greg.preston@prpsydney.com.au)

#### **Greg Rowe**

M: 0411 191 179

E: [greg.rowe@prpsydney.com.au](mailto:greg.rowe@prpsydney.com.au)

### **Associate Directors**

Ben Greenwood

M: 0448 656 103

E: [ben.greenwood@prpsydney.com.au](mailto:ben.greenwood@prpsydney.com.au)

Neal Smith

M: 0448 656 647

E: [neal.smith@prpsydney.com.au](mailto:neal.smith@prpsydney.com.au)

Michael Goran

M: 0448 757 134

E: [michael.goran@prpsydney.com.au](mailto:michael.goran@prpsydney.com.au)

Ben Toole

M: 0448 886 335

E: [ben.toole@prpsydney.com.au](mailto:ben.toole@prpsydney.com.au)

### **Capital City Offices**

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**Wagga Wagga**

### **Relationship Offices**

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**Darwin**

**Hobart**

**Perth**

**Other regional areas**