



**Preston
Rowe
Paterson**

International
Property Consultants
and Valuers



IN THIS ISSUE

Sales and Leases

| | |
|------------|---|
| Commercial | 4 |
| Retail | 6 |
| Industrial | 8 |

Residential Development 10

Specialised Properties 11

Hotels and Leisure 11

Transactions in Review

February 2020



ABOUT THIS REPORT

Preston Rowe Paterson prepare research reports covering the main markets within which we operate in each of our capital cities and major regional locations.

This report summarises major transactions within these markets whilst adding transactional analysis to provide greater market insight.

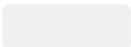
The markets covered in this research report include the commercial office market, industrial market, retail market, specialised property market, hotel and leisure market, residential market and significant property fund activities.

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.



Sales Transaction



Rental Transaction



Sydney Commercial

Superannuation fund backed *ISPT* has acquired an office building development from Macquarie Group for \$950 million.

Melbourne Retail

A large format retail property in Melbourne's south-east, home to the Freedom and Barbeque Galore brands has sold to a Macau investor for \$21.8 million, equating to an initial 5.29% yield

Perth Childcare

A new childcare centre with room to accommodate 125 children has sold to a syndicate of investors for \$7.1 million.

HIGHLIGHTS





Commercial

39 Martin Place, Sydney NSW 2000

\$950 million

\$31,677 per sqm lettable area

Superannuation fund backed *ISPT* has beat out Investa and Cbus Property in a five month bidding process for the acquisition of one of *Macquarie Group's* over station office developments in Martin Place. Macquarie had won the right to build two towers at the north and south entrances of the future station after an unsolicited proposal to the NSW government in 2017. The group paid \$355 million for the air rights in 2018. With net average rents to be expected around \$1,500 sqm, the deal is likely to reflect a yield between **4.25% and 4.5%**. The 29 storey south tower is on the site of the former Tiffany & Co store and will comprise 30,000 sqm of office space upon the developments completion. (AFR 19.02.20)

211 Northumberland Street, Liverpool NSW 2555

\$52.5 million

6.6% Yield

\$6,867 per sqm lettable area

A four storey office building in Sydney's south-west has sold to a Sydney based private investor on a 6.6% initial yield. The property, fully leased to the federal government as a **Centrelink** office until 2022, returning an annual income of \$3.46 million. The site has underlying development potential as the existing 7,645 sqm building has the potential to be replaced by something larger in the future due to the commitment by the government to make Liverpool Sydney's third CBD. Liverpool is located approximately 27 km south-west of the Sydney CBD. (AFR 27.02.20)

39 Goulburn Street, Sydney NSW 2000

\$270 million

4.9% Yield

\$13,691 per sqm lettable area

Chinese developer Poly has acquired a 26-storey office tower in Sydney's southern portion of the CBD on a 4.9% yield. The property sold with DA approval for redevelopment into a 38-storey tower with 407 hotel suites and 90 residential units, retail and office spaces. Poly intends to maintain its use as an office tower. SC Capital sold the circa 1970 B-Grade tower after two and a half years of ownership. In that time frame they upgraded the foyer and end of trip facilities and increased the weighted average lease expiry from 1.6 years to four years. (AFR 13.02.20)

789 Botany Road, Rosebery NSW 2018

\$550 gross psm lettable area

6 Years

\$302,500 p.a.

The Kids Cancer Project has leased 550 sqm of new office space in Sydney's south in what is the first completed leasing deal in the newly refurbished warehouse conversion building. The high clearance property with sawtooth ceilings and extensive natural light comprises a mixture of showroom and office space. Rosebery is located approximately 6 km south of the Sydney CBD. (AFR 04.02.20)

280 Pacific Highway, Lindfield NSW 2070

\$510 gross psm lettable area

3 Years

\$209,100 p.a.

The Channel Elite Training has set up its new dance studio over 410 sqm of office space in a three level office building on Sydney's north shore. The dance studio operators sighted the properties on-site parking, proximity to local shops and public transport as key motivations behind the move. Lindfield is located approximately 13 km north east of the Sydney CBD. (AFR 04.02.20)

133 Abbotsford Street, North Melbourne VIC 3051

\$6.375 million

4.2% Yield

\$9,107 per sqm lettable area

A local investor has purchased a three-storey office building in an off-market deal. The new owners have plans to refurbish the 700 sqm property, capitalising on views of the Melbourne CBD and Dockland. The property comprises ground floor and outdoor car parking. North Melbourne is located approximately 2 km north of the Melbourne CBD. (AFR 13.02.20)



**396-400 Spencer Street,
West Melbourne VIC 3003**

\$5.71 million

\$7,138 per sqm lettable area

An office building on the corner of Batman and Spencer Street has been sold by owner-occupier *Menzies Education Institute* to developer *Shangyi*. The 800 sqm building stands on a 458 sqm site with mixed use zoning. The agents who marketed the property said the asset attracted interest from education groups, developers and investors. West Melbourne is located approximately 3 km west of the Melbourne CBD.
(AFR 27.02.20)

**Level 9, 182 St Geroges Terrace,
Perth WA 6000**

\$615 gross psm lettable area

3 Years

\$162,360 p.a.

Vanguard Solutions Pty Ltd has agreed to a three year lease with *Zone Q* over 264 sqm of office space on level nine of the building. Vanguard sighted the new tenancy fit out and the major building renovations as the reasons behind the move. The property is located within the Perth CBD.
(AFR 18.02.20)

**128 Bundall Road,
Bundall QLD 4217**

\$9.5 million

\$3,283 per sqm lettable area

An interstate investor has bought a 2,894 sqm six storey office building on the Gold Coast from *Newallah Pty Ltd*. The buyer was one of six parties to make an offer on the property, which comprises a 5 star NABERS rating, 66 on grade car parks and a diversified income from 15 tenancies. Bundall is located approximately 4 kilometres south of the Gold Coast CBD.
(AFR 06.02.20)





Retail

15B Chatham Road, West Ryde, NSW 2114

- \$23.85 million
- 5.85% Yield
- \$5,985 per sqm lettable area

Coles has offloaded a stratum titled full line supermarket and liquor store to a private Melbourne based investor. The 3,985 sqm property traded with a new 12 year net lease to **Coles** and **Liquorland** with options to 2072 and a lease structure featuring online sale included in turnover rent calculations. The property is situated on the ground floor of a mixed use retail and residential development. West Ryde is located approximately 16 km north west of the Sydney CBD.
(AFR 11.02.20)

1000 Nepean Highway, Moorabbin VIC 3189

- \$21.8 million
- 5.29% Yield
- \$4,982 per sqm lettable area

A large format retail property in Melbourne's south-east, home to the **Freedom** and **Barbeque Galore** brands has sold to a Macau investor on a 5.29% yield. The 4,376 sqm property situated next door to the Moorabbin Homemaker Centre stands on a 3,485 sqm corner site with an approximate 96 metre street frontage to the Nepean Highway. The two storey building with 65 basement car spaces recently underwent refurbishment by previous owners **Greenlit Brands**. Moorabbin is located approximately 15 km south-east of the Melbourne CBD.
(AFR 05.02.20)

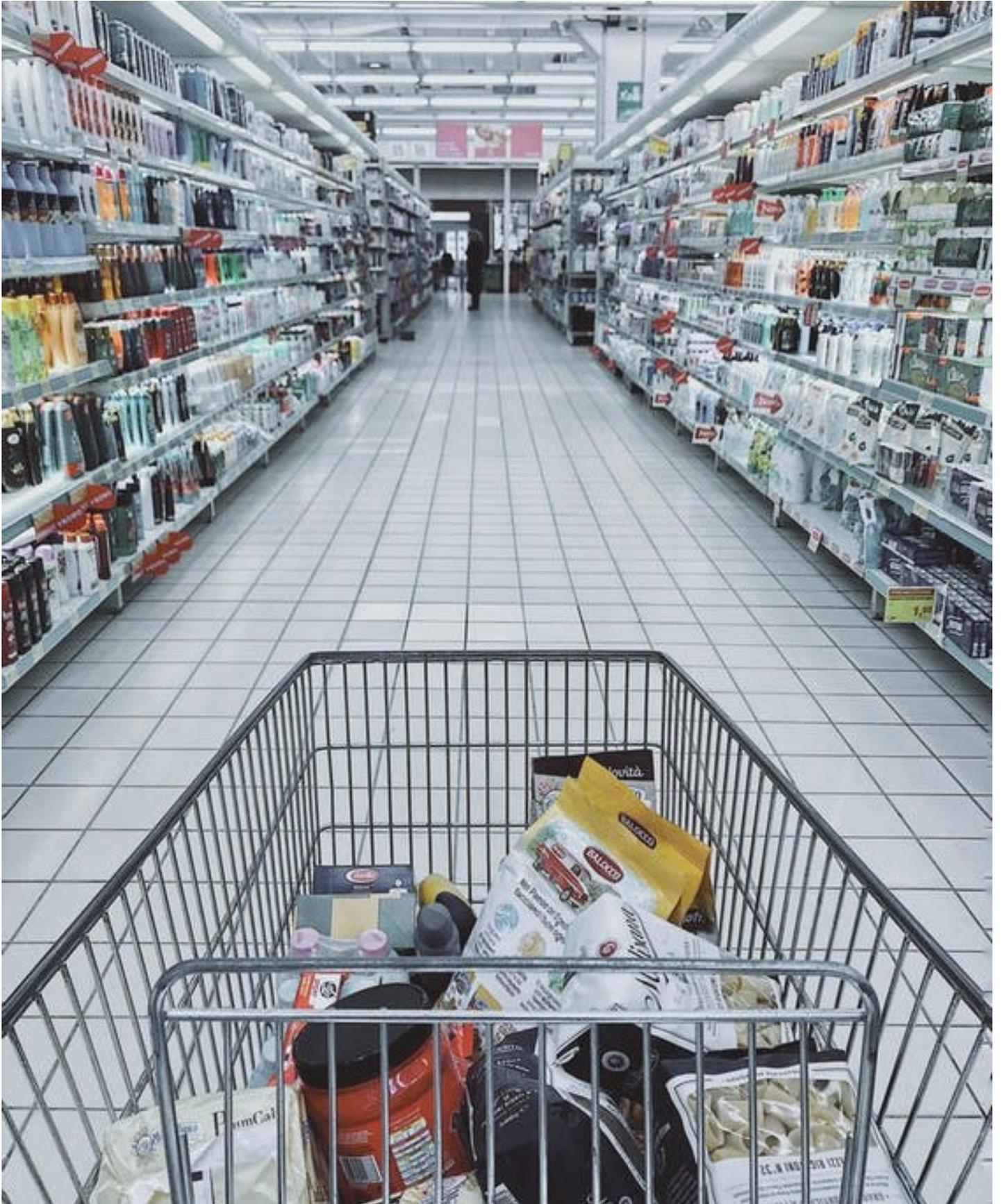
520 Victoria Street, Richmond VIC 3121



- \$462 net psm lettable area
- 3 Years
- \$40,000 p.a.

An 86.5 sqm retail space with an existing café fitout has been leased to a café operator on a three year lease term. The property is situated on the ground floor of a mixed residential and retail strata development and benefits from an outdoor seating license. Richmond is located approximately 3 km east of the Melbourne CBD.
(AFR 11.02.20)





Industrial

61-63 Governor Macquarie Drive, Chipping Norton NSW 2170

- \$9.8 million
- \$2,784 per sqm lettable area

A 3,520 sqm freestanding office-warehouse facility on a 1.09 hectare site has been sold by *Australian Displays (SA) Pty Ltd* to an undisclosed buyer. The industrial facility in Sydney's south-west sold via an expression of interest campaign which lasted four weeks and garnered four first round offers. The property comprises three gantry cranes, dual entry/exit capabilities and access via six container height roller doors. Chipping Norton is located approximately 27 kilometres south-west of the Sydney CBD.
(AFR 06.02.20)

13 Distribution Place, Seven Hills NSW 2147

- \$140 gross per sqm lettable area
- 5 Years
- \$171,080 p.a.

Orbitz Elevators has secured a new lease over a 1,222 sqm office and warehouse facility in Sydney's west. The five year lease for the two level office and warehouse with a clearance of up to 8.2 metres included a five year option. Seven Hills is located approximately 27 km west of the Sydney CBD.
(AFR 11.02.20)

3 Augusta Street, Blacktown NSW 2148

- \$150 gross per sqm lettable area
- 3 Years
- \$300,000 p.a.

The Bathla Group has taken a three year lease out over a 2,000 sqm freestanding warehouse. The warehouse comprises three roller doors, an internal clearance of 6.5 metres and a large hardstand area. The property will accommodate the construction businesses growth and become their second industrial site. Blacktown is located approximately 34 km west of the Sydney CBD.
(AFR 25.02.20)

23 Frank Street, Wetherill Park NSW 2164

- \$10 million
- 6.42% Yield
- \$2,119 per sqm lettable area

A private investor has purchased a 4,719 sqm freestanding industrial facility situated in the Wetherill Park industrial precinct from *MA Seeto*. The part office, part warehouse property stands on an 8,622 sqm site and is leased to **Australian Aluminium Finishing** on a 20 year lease, currently passing at \$641,016 per annum net. Wetherill Park is located approximately 34 km west of the Sydney CBD.
(AFR 06.02.20)

39 Stenhouse Drive, Cameron Park NSW 2285



- \$6 million
- 6.87% Yield
- \$1,462 per sqm lettable area

A private investor has snapped up a distribution centre west of Newcastle on a 6.87% yield. The modern freestanding building of 4,191 sqm, includes a temperature controlled warehouse and mezzanine office. The property sold with a net passing income of \$412,166 per annum with four years remaining on the lease. Cameron Park is located approximately 19 km west of the Newcastle CBD.
(AFR 20.02.20)



**180 Browns Road,
Noble Park VIC 3174**

- \$14.7 million
- 5.74% Yield
- \$2,412 per sqm lettable area

Melbourne-based property fund manager *Quintessential Equity* has sold an industrial property to a private Bermuda-domiciled investor, *Bering Property Holdings*. The Browns Road industrial property situated within the Noble Park Industrial Precinct is fully leased by **Infrabuild**, formerly known as OneSteel and now a subsidiary of the Gupta Family Group. The property traded with a new 10 year lease to the manufacturers with a net passing income of \$844,487 per annum with 4% annual increases. The property is situated on a 2.38 hectare site, comprising 9,552 sqm of gross lettable area. Noble Park is located approximately 25 km south-east of the Melbourne CBD. (AFR 26.02.20)

**74-86 Garden Road,
Clayton VIC 3168**

- \$17.925 million
- \$1,462 per sqm lettable area

An industrial property in Melbourne's south-east has been traded off market by the Wilson family of Reece Plumbing to Virtus Property Group. The 12,261 sqm warehouse is situated on a 34,790 sqm site and comprises an internal clearance up to 15.2 metres, six on-grade roller doors, 8 adjustable docks and a single level fitted office of 850 sqm. Clayton is located approximately 18 km south east of Melbourne. (AFR 20.02.20)

**19 Harker Street,
Burwood VIC 3125**

- \$110 gross per sqm lettable area
- 10 Years
- \$52,540 p.a.

Crown Calisthenics has leased a 514 sqm industrial property in Melbourne's east from a private lessor. Crown secured the property one day after it was launched to the market. The office and warehouse facility comprises undercroft car parking for five spaces, temperature controlled office and boardroom, container high electric roller shutter door and end of trip facilities for both male and females. Burwood is located approximately 14 km east of the subject property. (AFR 18.02.20)

**26 Kingsley Close,
Rowville VIC 3178**

- \$107 net per sqm lettable area
- 3.5 Years
- \$86,991 p.a.

RISafety has leased an 813 sqm office and warehouse in Melbourne's south-east from a private lessor. The height safety provider is relocating from western industrial precinct and increasing its footprint. The property comprises a 581 sqm clear span warehouse with a 240 sqm climate controlled dual level office area. Rowville is located approximately 27 km south-east of the Melbourne CBD. (AFR 25.02.20)





Residential Development

110 Elizabeth Drive, Rosebud VIC 3939

 \$6.2 million

 \$339 per sqm site area

Ekkopoint Properties has purchased a 1.83 hectare block on Brisbane's northern fringe for a residential development. The property was taken to market for sale via an expression of interest campaign which attracted more than 100 inquiries and 12 offers. The site sold with approval for subdivision into 27 allotments. Bridgeman Downs is located approximately 13 km north west of the Brisbane CBD.
(AFR 13.02.20)

21 & 27 Agnes Street, Albion QLD 4010

 \$5 million

 \$48,077 per apartment

Golden State Developments has bought two adjoining development sites in Brisbane's inner north, which involved an expression of interest campaign that received more than 80 inquiries, resulting in five bids. The two vacant sites, totalling 2,430 sqm in site area sold with development approval for two residential towers up to nine storeys high, each comprising 52 apartments. Albion is located approximately 6 km north of the Brisbane CBD.
(AFR 27.02.20)

110 Elizabeth Drive, Rosebud VIC 3939

 \$6.4 million

 \$262 per sqm site area

A 24,412 sqm development site on Victoria's Mornington Peninsula has sold to the *Piermont Group* for \$6.4 million in a private sale. The site occupies a corner holding, having dual frontage to Elizabeth Drive and Rosebud Avenue. The property has potential to be developed in to a townhouse or aged care project. Rosebud is located approximately 74 km north of the Melbourne CBD.
(AFR 06.02.20)





Specialised Prop.

53 Orsino Boulevard, North Coogee WA 6163

- \$7.1 million
- 6.25% Yield
- \$262 per sqm site area
- Childcare Centre

A new childcare centre in Perth's south has sold to a syndicate of investors on a 6.25% yield. The two level, purpose built child care centre was sold off market by property investment and development firm *RG Property*. The deal was completed on the signing of new tenant **Insight Early Learning** signed a 15 year lease with two 10 year options. The centre will accommodate 125 children. North Coogee is located 23 km south-west of the Perth CBD.
(AFR 27.02.20)

57 Joondalup Drive, Joondalup WA 6027

- \$155 net per sqm lettable area
- 12 Years
- \$300,000 p.a.
- Childcare Centre

Keiki Early Learning has leased a 1,939 sqm tenancy within the Joondalup Gate large format retail centre off the Mitchell Freeway. The childcare centre operator agreed to a 12 year lease with landlord Joondalup Gate Holdings and will become the company's seventh operating childcare centre. Joondalup is located approximately 26 km north of the Perth CBD.
(AFR 11.02.20)

Hotels & Leisure

Central Hills Drive, Gregory Hills NSW 2557

- \$40 million
- 5.5% Yield
- \$2,920 per sqm lettable area

Hotel Property Investments has broken its long acquisition drought with the purchase of the Gregory Hills Hotel in Sydney's south west. The property sold in conjunction with the Acacia Ridge Hotel in Brisbane's south east in a \$20 million dollar deal. Both transactions were struck on initial 5.5% yields and with 12 year leases in place. HPI will fund the acquisitions through a \$30 million fully underwritten institutional equity raising, a \$5 million security purchase plan and debt. The hotel property investors have reaffirmed its fiscal 2020 distribution guidance of 20.7c per security.
(AFR 27.02.20)





**Preston
Rowe
Paterson**

Our Research

At Preston Rowe Paterson we take pride in the extensive research we prepare for the market sectors within which we operate in. These include Commercial, Retail, Industrial, Hotel and Leisure and Residential property markets, as well as Infrastructure, Capital, Asset, Plant and Machinery markets.

We have **property** covered.

We have **clients** covered

Preston Rowe Paterson acts for a diverse range of clients with all types of property needs, covering real estate, infrastructure, asset, plant and machinery interests, these include:

- Accountants, auditors & insolvency practitioners
- Banks, finance companies & lending institutions
- Commercial & residential non-bank lenders
- Co-operatives
- Developers
- Family Offices
- Finance & mortgage brokers
- Hotel owners & operators
- Institutional investors
- Insurance brokers & companies
- Investment advisors
- Lessors & lessees
- Listed & private companies & corporations
- Listed & unlisted property trusts
- Local, state & federal government departments & agencies
- Mining companies
- Mortgage trusts
- Overseas clients
- Private investors
- Property syndication managers
- Real Estate Investment Trusts (REITS)
- Rural landholders
- Solicitors & barristers
- Sovereign wealth funds
- Stockbrokers
- Superannuation funds
- Trustee & custodial companies.

We have **real estate** covered

We regularly provide valuation, advisory, research, acquisition, due diligence management, asset and property management, consultancy and leasing services for all types of Real Estate, including:

- Metropolitan & CBD commercial office buildings
- Retail shopping centres & shops
- Industrial, office/warehouses & factories
- Business parks
- Hotels (accommodation) & resorts
- Hotels (pubs), motels & caravan parks
- Residential developments projects
- Residential dwellings (houses/apartments/units)
- Property Management
- Rural properties
- Hospitals & aged care
- Special purpose properties
- Extractive industries & resource based enterprises
- Infrastructure including airports & port facilities.

We have **asset, plant and machinery** covered

We regularly undertake valuations of all forms of asset, plant and machinery, including:

- Mining & earth moving equipment/road plant
- Resort & accommodation, hotel furniture, fittings & equipment
- Office fit outs & equipment
- Farming equipment
- Transport equipment
- Industrial/factory equipment
- Licensed club furniture, fittings & equipment
- Building services equipment (lifts, air conditioning, fire services & building maintenance equipment).

We have your **needs** covered

Our clients seek our property (real estate, infrastructure, asset, 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 & outgoings projections and analysis
- Insurance valuations (replacement & reinstatement costs)
- Leasing vacant space within managed properties
- Listed property trust & investment fund valuations & revaluations
- Litigation support
- Marketing & development strategies
- Mortgage valuations
- Property Management
- Property syndicate valuations & re-valuations
- Rating and taxing objections
- Receivership, Insolvency & liquidation valuations & support/advice
- Relocation advice, strategies and consultancy
- Rental assessments & determinations
- Sensitivity analysis
- Strategic property planning.

We have all **locations** covered

From our capital city and regional office locations we serve our client's needs throughout Australia. Globally, we have three offices located in New Zealand, as well as associated office networks located in the Asia-Pacific region.

PRP Headquarters (Sydney)

Level 7, 1 Market
Sydney NSW 2000
P: +61 (0)2 9292 7400
F: +61 (0)2 9292 7404
research@prpsydney.com.au

National Directors

Gregory Preston
M: 0408 622 400
greg.preston@prp.com.au

Gregory Rowe
M: 0411 191 179
greg.rowe@prp.com.au

Greg Sugars
M: 0435 911 465
greg.sugars@prp.com.au

Neal Ellis
M: 0417 053 116
neal.ellis@prp.com.au

Damian Kininmonth
M: 0417 059 836
damian.kininmonth@prp.com.au

Capital City Offices

Adelaide

Rob Simmons
M: 0418 857 555
adelaide@prp.com.au

Brisbane

Troy Chaplin
M: 0419 029 045
troy.chaplin@prp.com.au

Canberra

Jason Lee
M: 0410 300 504
jason.lee@prp.com.au

Hobart

Damien Taplin
M: 0418 513 003
damien.taplin@prp.com.au

Shelley Taplin
M: 0413 309 895
shelley.taplin@prp.com.au

Melbourne

Neal Ellis
M: 0417 053 116
neal.ellis@prp.com.au

Damian Kininmonth
M: 0417 053 116
damian.kininmonth@prp.com.au

Perth

Cameron Sharp
M: 0438 069 103
cameron.sharp@prp.com.au

Sydney

Gregory Preston
M: 0408 622 400
greg.preston@prp.com.au

Gregory Rowe
M: 0411 191 179
greg.rowe@prp.com.au

Regional Offices

Albury Wodonga

Daniel Hogg
M: 0428 235 588
daniel.hogg@prp.com.au

Michael Redfern
M: 0428 235 588
michael.redfern@prp.com.au

Ballarat

Darren Evans
M: 0417 380 324
darren.evans@prp.com.au

Peter Murphy
M: 0402 058 775
peter.murphy@prp.com.au

Bendigo

Damien Jerinic
M: 0409 820 623
damien.jerinic@prp.com.au

Central Coast/Gosford

Collin Pugsley
M: 0435 376 630
collin.pugsley@prp.com.au

Dubbo

James Skulthorp
M: 0409 466 779
james.skulthorp@prp.com.au

Tom Needham
M: 0412 740 093
tom.needham@prp.com.au

Geelong

Gareth Kent
M: 0413 407 820
gareth.kent@prp.com.au

Stuart McDonald
M: 0405 266 783
stuart.mcdonald@prp.com.au

Gippsland

Tim Barlow
M: 0400 724 444
tim.barlow@prp.com.au

Alexandra Ellis
M: 0407 724 444
alex.ellis@prp.com.au

Griffith

Daniel Hogg
M: 0408 585 119
daniel.hogg@prp.com.au

Horsham

Ben Sawyer
M: 0429 826 541
ben.sawyer@prp.com.au

Launceston

Damien Taplin
M: 0418 513 003
E: damien.taplin@prp.com.au

Moreton Sunshine Coast

John Falvey
M: 0422 140 764
E: john.falvey@prp.com.au

Mornington

Neal Ellis
M: 0417 053 116
E: neal.ellis@prp.com.au

Damian Kininmonth
M: 0417 059 836
E: damian.kininmonth@prp.com.au

Mount Gambier

Stuart McDonald
M: 0405 2660783
E: stuart.mcdonald@prp.com.au

Newcastle

Robert Dupont
M: 0418 681 874
E: bob.dupont@prp.com.au

David Rich
M: 0413 052 166
E: david.rich@prp.com.au

Shepparton

Wes Ridd
M: 0418 334 453
E: wes.ridd@prp.com.au

Southport

Ian Hawley
M: 0458 700 272
E: ian.hawley@prp.com.au

Troy Chaplin
M: 0419 029 045
E: troy.chaplin@prp.com.au

Swan Hill

Ian Boyd-Law
M: 0418 5980232
E: ian.boyd-law@prp.com.au

Tamworth

Bruce Sharrock
M: 0429 465 012
E: bruce.sharrock@prp.com.au

Matt Spencer
M: 0447 227 002
E: matt.spencer@prp.com.au

Wagga Wagga

Dan Hogg
M: 0408 585 119
E: daniel.hogg@prp.com.au

Warrnambool

Stuart McDonald
M: 0405 266 783
E: stuart.mcdonald@prp.com.au

New Zealand Offices Head Office (Auckland)

Alex Haden
M: +64 (0)21 833 118
E: alex.haden@prpnz.nz

Greymouth

Mark Bollard
M: +64 (0)27 694 7041
E: mark.bollard@prpnz.nz

Tauranga

Alex Haden
M: +64 (0)21 833 118
E: alex.haden@prpnz.nz

Asia-Pacific Region

Associated office networks throughout:

China via China Appraisal
<http://www.appraisalchina.com/>

Japan via Daiwa Realty Appraisal
<http://daiwakantei.co.jp/eng/about>

Thailand via Capital and Co.
<http://www.cpmcapital.co.th/>

Philippines via Cuervo Appraisal Incorporated
<http://cuervoappraisers.com.ph/>





Preston Rowe Paterson
International Property Consultants and Valuers



**Preston
Rowe
Paterson**

International
Property Consultants
and Valuers

We have **property** covered.

www.prp.com.au

© Copyright 2019 Preston Rowe Paterson Australasia Pty Limited