



**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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Inside this Issue

Sales	Page 2
• Commercial	Page 2
• Industrial	Page 2
• Retail	Page 2
• Residential	Page 2
• Rural	Page 3
• Specialised Properties	Page 3
• Hotel/Leisure	Page 3
Leasing	Page 3
• Commercial	Page 3
• Industrial	Page 3
• Retail	Page 4
Capital Raisings	Page 4
About Preston Rowe Paterson	Page 5
Contact Us	Page 7



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Sales

Commercial

380 Lonsdale Street, Melbourne, VIC 3000

A prime CBD development site has been sold to listed Singaporean developer Hiap Hoe. The developer acquired the 3,165 m2 site at 380 Lonsdale Street for **\$43.8 million**. The sale includes 445 car bays, 5,130 m2 of office space, with ground level retail tenancies. The site sold with planning approval for a \$480 million tower, comprising 627 apartments and ground level retail. The approved also includes the right to develop a new 445 bay commercial car park in addition to residential parking.

[AFR 05/09/2013]



543-549 Bridge Road, Richmond, VIC 3121

A local private investor has purchased a five-level office building in the Melbourne suburb of Richmond for **\$24.2 million**. The property is fully leased with anchor tenants including ANZ Bank, Avant Insurance and Kathmandu. The property sold on a **yield of 7.6%**, with a total rental income of approximately \$1.84 million per year. The property has a dual street frontage and 90 car spaces. Richmond is situated roughly 5km east of Melbourne's Central Business District.

[AFR 19/09/2013]

12 Queens Road, Melbourne, VIC 3000

The seven level car park at 12 Queens Road in Melbourne's CBD has been sold to a Hong Kong developer for **\$15.3 million**. The building has 365 car spaces, showing a **rate per space of \$41,917**. No further details were released.

[AFR 19/09/2013]

157 Ann Street, Brisbane, QLD 4000

Anton Capital has purchased a 6,650 m2 office tower along Brisbane's Ann Street for **\$39 million**. The deal is believed to be on behalf of Goldman Sachs and represents a **passing yield of 10.75%**. The 13 storey tower which is situated in the heart of the city centre is primarily leased to the Brisbane City Council until 2019, with a 5 year option. The sale represented a **rate per m2 of \$5,964**.

[AFR 26/09/2013]



Industrial

LOGIS Estate, Pakenham, VIC 3810

EGO Pharmaceuticals have sealed the biggest deal yet at a Melbourne Industrial Park, purchasing a 9.5 hectare site at the LOGIS estate for around **\$15 million**. The industrial estate is situated approximately 6 km south-west of Melbourne's CBD. No further details were released.

[AFR 19/09/2013]

Retail

206 Bourke Street, Melbourne, VIC 3000

Listed Singaporean developer Hiap Hoe has acquired its third Melbourne property in only a few weeks. The sale of 206 Bourke Street, Melbourne displayed a sale price of **\$105 million** and a **rate per m2 of \$8,807**. The property comprises 9,582 m2 of retail space and 2,340 m2 of office space, set in close proximity to the CBD mall; the property provides an arcade-style link between Bourke Street and the Chinatown section of Little Bourke Street. The Singaporean firm bought the property from a joint venture between private developer and racing identity Les Smith and Macquarie Group.

[AFR 06/09/2013]



Corner of Old Illawarra and Menai Road, Menai, NSW 2234

Menai Central Convenience Centre has been bought by the Brisbane based Sentinel Property Group for **\$31.5 million**. The 10,796 m2 retail property was built 12 years ago. The centre is anchored by Dan Murphy's, IGA Supermarkets, Supercheap Auto, Goodlife Health Clubs and the Bank of Queensland. The sale displayed an **initial yield of 9.75%** and a **rate per m2 of \$2,918**.

[AFR 19/09/2013]

233 Port Road, Hindmarsh, SA 5007

A private investor has purchased a fitness centre in the Adelaide suburb of Hindmarsh for **\$7.01 million**. The property is currently leased to Ardent Leisure subsidiary Goodlife Operations on a **15 year lease**. The sale of the 2,334 m2 property displayed a **rate per m2 of \$3,003** with a **net yield of 8.6%**. Hindmarsh is located approximately 6.2 km north-west of the Adelaide CBD.

[AFR 26/09/2013]



Residential

Redlands Bay Road, Thornlands, QLD 4164

Developer Villa World has purchased a site in Redlands Bay Road, Thornlands for **\$15.3 million**. Villa World have also secured a 3 month early settlement of the property which gives the company further exposure to the high growth south-east Queensland region. The developer plans to develop 170 lots to the site, showing a rate per proposed site of \$90,000.

[AFR 16/09/2013]

80 Arthur Street, North Sydney, NSW 2060

Meriton Apartments has purchased a site in North Sydney for **\$20.5 million** with the intention to develop a serviced apartment tower. The new tower will have around 250 apartments over 30 levels and will fill an important gap in Meriton's portfolio of serviced apartments which now includes around 2,700 units.

[AFR 09/09/2013]

Rural

Rocky Bank Cattle Station, Roma, QLD 4455

S. Kidman & Co, Australia's largest land holder has re-entered the depressed cattle station market and purchased Rocky Bank Cattle Station at Roma in Western Queensland. The 14,600 hectare station was sold for \$7.4 million displaying a rate per hectare of \$507. The property will now be used as a stud breeding centre.

[AFR 16/09/2013]

Specialised Properties

283-289 Pacific Highway, Artarmon, NSW 2064

Bayswater Car Rental has purchased a storage facility along Sydney's Pacific Highway for **\$5 million**. The site was purchased by Bayswater for its car rental business. Artarmon is approximately 9 km north of the Sydney CBD. No further details were released

[AFR 26/09/2013]

Hotel/Leisure

Belvedere Hotel Pub, Sydney, NSW 2000

The Belvedere Hotel Pub in the Sydney CBD has been purchased by Oscar Hotels for **\$5.4 million**. The pub went into receivership earlier this year, with PPB Advisory the receiver. The 183 m2 hotel includes a retail and commercial area, is fully licenced and is conveniently located opposite Town Hall Train Station, at 91 Bathurst Street, Sydney.

[The AU 19/09/2013]



The Plumpton Hotel, Glendenning, NSW 2761

Arthur Laundry has sealed the purchase of the Plumpton Hotel in Western Sydney. The property sold for about **\$20 million**, reflecting a **yield of 11.5%**. The hotel stands on a 1.35 hectare site, 44 km west of the Sydney CBD, close to a 10,000 dwelling residential development. It comprises of a restaurant and bars, bottle shop along with 21 motel rooms priced at \$120 per night. The hotel is located at 556 Richmond Road with the sale displaying a **rate per hectare of \$14,814,815**.

[AFR 26/09/2013]

Leasing

Commercial

436 Johnston Street, Abbotsford, VIC 3067

Caydon, a Victoria based developer have expanded their business and secured a new headquarters in Abbotsford. The lease of the 1,007 m2 office is considerably larger than Caydons current office in Collingwood. The company will use the first floor as an office and the ground floor as its showroom and display suite with a high-tech theater, art gallery and mock apartments. The **7 year lease** displays a net **annual rate per m2 of \$315**. Abbotsford is located 4 km east of the Melbourne CBD.

[AFR 24/09/2013]



Industrial

1/208 Walters Road, Arndell Park, NSW 2148

Pick Packers, storage and logistics provider has leased a 1,945 m2 warehouse site in Arndell Park in Sydney's west for a **5.5 year term** with a **5 year option** for an annual net rental of \$175,059. The lease reflects a net **rate per m2 of \$90**.

[AFR 03/09/2013]

55 Fulton Drive, Derrimut, VIC 3030

Building material supplier Rebar Prefab MKSQ has leased a modern manufacturing facility in Melbourne owned by Werribee Scaffolding and Building Services. The deal of this 6,731 m2 site was negotiated for an annual **rate per m2 of \$64** for a **2 year term**.

[03/09/2013]



91-93 Doherty's Road, Altona North, VIC 3025

Gym equipment supplier Gray's Fitness has leased a new warehouse at 91-93 Doherty's Road, Altona North. Gray's Fitness will lease the 2,633 m2 site for **3 years** at a **rent per m2 of \$75**. The property offers main road exposure, a rear yard and multiple loading docks.

[AFR 03/09/2013]

183 Fitzgerald Road, Laverton North, VIC 3026

Kalari Transport's former headquarters have been leased by Freight Company Booth Transport, in the biggest leasing deal of the year in Melbourne. The company will lease a 6 hectare industrial site which comprises approximately 11,000 m2 of warehouse space. No further details were released.

[AFR 04/09/2013]

391 Park Road, Regents Park, NSW 2143

DEXUS Property Group owned Regents Park Business Park has leased 3,809 m2 of facility in Block M of the complex to Canberra Overnight Transport. The transport company will pay an **annual rent per m2 of \$115** for a **5 year term**. The facility boasts high clearances, a large awning and drive around truck access. Regents Park is situated in close proximity to Regents Park Train Station and shops and is approximately 25 km west of the CBD.

[AFR 10/09/2013]



73 Randor Drive, Derrimut, VIC 3023

A new, purpose built facility within the Paramount Industrial Estate in Derrimut, Melbourne has been leased to PremiAir Hire. The 2,263 m2 site includes overhead cranes, a washing bay and large concrete hardstand. It is currently under construction due for completion in November 2013. The lease on a **5 year term** displays a **rate per m2 of \$75** and gross annual total of \$169,725. [AFR 10/09/2013]

6 Holcourt Road, Laverton North, VIC 3026

6 Holcourt Road, in Melbourne's west has been leased to Hicks Transport. The Transport Company have agreed to a two year lease of this 3,500 m2 property, displaying a net annual rental of \$145,000 and a **rate per m2 of \$41**. The building is in a central location for logistics and transport providers, and features six roller doors for drive through cross docking. Laverton North is situated approximately 17 km west of Melbourne's CBD. [AFR 10/09/2013]

13a Stanton Road, Seven Hills, NSW 2147

Industrial property owner and manager PPK Properties have leased 6,534 m2 of office and warehouse space to foam and plastic manufacturer Rema Industries. The freestanding building boasts two levels of office space and a warehouse and workshop space accessible via multiple roller shutter doors as well as a substantial power supply and a small rear yard. The **5 year lease** displays a **rate per m2 of \$85** and an annual rent of \$555,390. Seven Hills is located around 35 km west of Sydney's CBD. [AFR 10/09/2013]



35-43 Audley Street, Woodville, SA 5012

Ottoway Engineering has leased a 4,500 m2 high-clearance warehouse in Woodville North for the period of its contract on the New Royal Adelaide Hospital. The subject property is located about 10 km from Adelaide's city centre. It includes a 3,317 m2 older style warehouse with two certified lock up 12 tonne gantry cranes and a lock up yard. The net annual rent of the site is \$199,010 for a **one-and-a-half year lease**. This displays a **rate per m2 of \$44**. [AFR 17/09/2013]

46 Sheppard Street, Hume, ACT 2620

Logistics provider Vellex has subleased an industrial facility in Canberra from Ceva Logistics. The site which is owned by the Potter Family Corporation is 1,650 m2 in size and features a stand-alone entrance. The lease displays a gross annual **rent per m2 of \$103**, on a **three-and-a-half year term** with a one year option to extend. [17/09/2013]

Monaro Industrial Park, Sheppard Street, Hume, ACT 2620

Waste Disposal firm Cleanaway have signed a **10 year lease** at the Monaro Industrial Park, Canberra with the help of property magnate Lang Walker. The deal involves a purpose built \$5.5 million waste transfer station, which will incorporate 4,200 m2 of warehouse space and 225 m2 of office space. The property is still being built and expected to be completed next month. Monaro Industrial Park is located in the new industrial hub of Hume, just 13 km south of Canberra's CBD and 14 km from Canberra Airport. [26/09/2014]

Industrial Facility, Glassford Road, Kewdale, WA 6105

Direct Brand Distributors has leased a 5,437 m2 facility on Kewdale's Glassford Road on a 5 year term. No further details were released. [AFR 24/09/2013]

Retail

350 Bourke Street, Melbourne, VIC 3000

H&M Swedish "fast fashion" leader have leased almost 5,000 m2 of space in Melbourne's GPO building. This will be one of the brands largest stores in the world. No further details were released. [AFR 05/09/2013]

Capital Raisings

\$300 million Capital Raising

Allan Moss, Michael Carapiet and John Prendiville, former Macquarie Bank employees have used their connections and banking skills to buy into an unconventional Wesfarmers **\$300 million capital-raising**. The trio formed the consortium that bought \$17 million of the "residual equity" notes that backed \$270 million of debt linked to lease payments made to a portfolio of 15 Bunnings Warehouse properties. [AFR 03/09/2013]

\$150 million Capital Raising

Stockland has raised \$150 million in new debt through an Australian dollar-denominated senior unsecured medium term note. No further details were released. [AFR 04/09/2013]

\$61.4 million Capital Raising

Ingenia Communities, a retirement village operation has **raised \$61.7 million** in order to expand its manufactured home park business with the purchase of eight more properties. Contracts have already been exchanged on the Drifters Holiday Village at Kingscliff NSW, while another 7 acquisitions with a combined value of around \$82 million are expected to be announced in the near future. [AFR 12/09/2013]

\$12 million Capital Raising

Olympian Mark Stockwell has begun raising \$12 million for a second retail property in Queensland—the Sabrina Town Centre. The raising is in conjunction with his intention to place approximately \$65 million worth of his shopping centres in trusts and avoid more bank debt. The Sabrina Town Centre is valued at around \$21 million and the trust aims to be geared at 55%. The 6,200 m2 centre is anchored by a SUPA IGA and Target and has a weighted average lease expiry of 8.7 years. [AFR 19/09/2013]

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

We have property covered

- Investment
- Development
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- Corporate Real Estate
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- 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
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- Relocation advice, strategies and consultancy
- Rental assessments and determinations
- Sensitivity analysis
- Strategic property planning

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