



**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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Phone: +61 2 9292 7400

Fax: +61 2 9292 7403

Address: Level 11, 80 Clarence Street Sydney NSW 2000

Email: mailroom@prpsydney.com.au

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Sales

Commercial

Corner of Bourke Street & Russell Street, Melbourne, VIC 3000

A Melbourne investor-developer has purchased a 6 storey retail office building for **\$11.525 million** in Melbourne's CBD. The 1923 art deco style building, a block from Chinatown and Bourke Street Mall has been held for 30 years by DLN, the immediate parent company of Darrell Lea Chocolate. The fully leased freehold building has 1,500 m² of C-grade office space across five levels with four shops on the ground floor on a 345 m² site. The sale of this property displays a **rate per m² of approximately \$6,247**. It generates an annual passing net income of \$514,510 representing a **yield of 4.5%**.

[AFR 02/04/2014]

251 Salmon Street, Port Melbourne, VIC 3207

Private equity real estate group Altis Property Partners have snapped up Holden's Former art deco headquarters in Port Melbourne, where the first mass produced FX Holden rolled off the assembly line in 1948. The Property group paid **\$28.25 million** on an effective **yield of 8.4%** for the Historic Port Melbourne properties. The two properties were offloaded by superannuation fund ISPT and acquired by the Altis real estate equity partnership (AREEP) series of funds, which invest on behalf of wholesale and institutional investments. The acquisition takes the value of property held by Altis beyond \$750 million. Port Melbourne is situated around 4 km south west of Melbourne's CBD.

[AFR 08/04/2014]



155-157 Marius Street, Tamworth, NSW 2340

A Sydney based private investor has purchased Noel Park House in NSW's Tamworth for more than **\$13 million**. The building which is one of the towns largest, at a lettable area of 5,630 m² over 3 levels has a 25 year head lease to the NSW government. The sale of this A-grade building displays a **rate per m² of approximately \$2,309**. Tamworth is situated approximately 407 km north east of Sydney.

[AFR 08/04/2014]

Christie Street, St Leonards, NSW 2065

Perth based syndicator Australasian Property Investment Limited (APIL) has teamed up with private real estate financiers Wingate Group for the purchase of an office and retail building on Sydney's North Shore, from the unlisted Charter Hall Office Trust. The team has paid **\$96.4 million** for the property on Christie Street, St Leonards. North Sydney is approximately 4 km north of the CBD. No further details were released.

[AFR 08/04/2014]

Brisbane Commercial Sales Wrap

German pension fund Union Investment Real Estate has finalised a deal worth **\$203 million**, purchasing Flight Centre's planned new headquarters in Brisbane. The 23,500 m² site will be developed by local developer Anthony John Group into an A-grade commercial office tower. The deal represents a **yield of 7.6%** and a **rate per m² of approximately \$8,638**.

[AFR 11/04/2014]

66-82 Talavera Road, Macquarie Park, NSW 2113

Private developer Holdmark has purchased a large office development for **\$32 million** in the fast growing Macquarie Park precinct in Sydney. The property is just under 4 HA of site area with 3 existing free-standing buildings – one of which will be leased back by pharmaceutical company AstraZeneca under a 12 month lease-back plus options. AstraZeneca has also negotiated a pre-lease deal for a new 3,000 m² office building that will be purpose built on the site. The sale of the site displays a **rate per m² of approximately \$800**. Macquarie Park is located approximately 18.5 km north west of Sydney's CBD.

[AFR 22/04/2014]



Industrial

1 Boundary Road, Wacol, QLD 4076

The GPT Group has taken a **\$36 million** half stake in Silvio Pradella's Westgate industrial estate in the Brisbane suburb of Wacol. It has been advised by GPT and Mr. Pradella's Metroplex that the project will eventually be developed into a \$350 million industry and business park. No further details were released.

[AFR 02/04/2014]

99-103 William Angliss Drive, Laverton North, VIC 3026

South African-backed Growthpoint Properties has paid **\$19.85 million** for an 8,871 m² industrial property along Melbourne's urban fringe. The property is currently leased to Scott's Refrigerated Freightways for the next 15 years. It comprises cold storage facilities as well as an office and workshop. The sale reflects a **yield of 8.3%** and a **rate per m² of approximately \$2,238**. Laverton North is situated approximately 15 km south west of the CBD.

[The AU 10/04/2014]

42 Birnie Avenue, Lidcombe, NSW 2141

A private investor has purchased an office and warehouse facility in Sydney's west for **\$12.2million**. The modern 8,069 m² warehouse sits on a 13,850 m² site and is split into 2 units. One has a modern 3 storey office building, café and warehouse and the other comprises a 2 storey building with a warehouse. The sale displays a **rate per m² of lettable building area of \$1,512**. Lidcombe is located around 18 km west of the CBD.

[AFR 17-21/04/2014]



Self-storage Facility, Townsville, QLD 4810

Newly floated property trust National Storage REIT has purchased a self-storage asset in Townsville, QLD for **\$17 million**. The transaction represents the first stand-alone acquisition for the opening of the trust and will be the largest asset by net lettable area in its portfolio. No further details have been released.

[AFR 23/04/2014]

Retail

282 Collins Street, Melbourne, VIC 3000

One of Melbourne's retail icons, the Block Arcade has been purchased for an amount suggested to be around **\$100 million**. The buyer is an adjoining owner, the Cohen family. Completed in the early 1890's the shopping gallery was modelled on the Galleria Vittorio in Milan. The L-shaped arcade which is home to 27 retailers, including Haigh's Chocolates, Orrefors Kosta and one founding tenant in position for over 100 years, the Hopetoun Tea Rooms links Collins and Elizabeth streets. 20 years ago the property was bought at mortgagee auction for just \$8 million. The sale displays a rate per existing retail store of approximately \$3,703,704. No further details were released.
[AFR 17-21/04/2014]



Residential

350 Hume Highway, Bankstown, NSW 2200

Parramatta based developer, Dylam have splashed out on a development site on the Hume Highway in Bankstown. The developer paid **\$11.4 million** purchasing the site from a group of 5 local home owners. The land was sold with a DA approval for 185 apartments; this displays a **rate per proposed apartment of \$61,622**. Bankstown is located approximately 19.2 km south west of the CBD. No further details were released.
[AFR 08/04/2014]

Specialised Properties

51 Terry Road, Rouse Hill, NSW 2155

Ingenia Communities has purchased the OK Caravan Park in Rouse Hill, in Sydney's north west for **\$6.8 million** on an ongoing **yield of 8.7%**. The property currently has 120 permanent homes and 10 short-term home sites with potential for at least another 64 homes. Ingenia Communities have plans to incorporate the property into the group's Active Lifestyle Estates manufactured home park business. Rouse Hill is situated around 44 km north west of Sydney's CBD.
[AFR 22/04/2014]

Leasing

Commercial

480 Queen Street, Brisbane, QLD 4000

Allens Linklaters will move its Brisbane office to the new \$500 million tower currently being developed by Grocon for the DEXUS Property group. Allens will lease 4,000 m2 of office space over 3 floors between levels 24 and 26 joining tenants such as BHP Billiton, rivals Herbert Smith Freehills and The Executive Centre. The company has taken out an initial **8 year lease** paying an annual gross rent **per m2 between \$850 and \$875**. **Incentives are believed to be about 35%**. The building will be the only premium grade six star green star and five star NABERS rated building out of the three new developments occurring in Brisbane. Allens leasing contract will bring the property to 50% of pre-committed leases leaving its rival – the \$200 million, 180 Brisbane tower being developed by Daisho, still looking for a tenant.
[AFR 02/04/2014]



Brisbane Commercial Lease Wrap

Downer EDI Mining has extended its lease at Growthpoint Properties Australia's South Brisbane property. The current lease was to expire in June 2014, Downer and Growthpoint have agreed to extend the lease of the 5,299 m2 property for **8 years** at an **annual fixed rent review of 3.75%**. No further details were released.
[AFR 08/04/2014]

5 Rider Boulevard, Rhodes, NSW 2138

Animal health products company Zoetis has leased 1,678 m2 of office space in Sydney's west. The lease is on a **5 year term** with a net annual rent of \$620,860, displaying a **rate per m2 of \$370**. Rhodes is located around 16 km north west of Sydney's CBD.
[The AU 10/04/2014]

Level 16, 8 Exhibition Street, Melbourne, VIC 3000

Global investment bank UBS have renewed the lease on its offices at the Paris end of the Melbourne CBD. The property which is co-owned by GPT Group's wholesale office fund and Singapore's Keppel REIT has a weighted average lease expiry of more than 6.5 years as a result of the 4,800 m2 lease to UBS. No further details have been released.
[AFR 17-21/04/2014]



414 La Trobe Street, Melbourne, VIC 3000

Melbourne accountancy and advisory firm Blue Rock has signed a **7 year lease** to occupy 1.5 floors out of the 17 level office building on top of Flagstaff Hill in Melbourne's CBD. Blue Rock will lease 1,273 m2 over the top 2 floors of the refurbished 14,000 m2 A-grade tower. The lease, which will commence in June 2014, displays a **rate per m2 of mid to high \$300's**. The term is unknown.
[AFR 23/04/2014]

Industrial

1/530-540 Springvale Road, Glen Waverley, VIC 3150

Logistics consultancy group The Freight Consultants have leased **1,752 m2** of office space in Victoria's Brandon Business Park. The company have agreed to a **3 year lease** with an asking **gross face rent per m2 of approximately \$360**.
[AFR 01/04/2014]

88-92 Waterview Close, Dandenong, VIC 3175

School book supplier Campion Education has secured a new lease at an industrial property in Victoria's Dandenong South. The 6,061 m2 property has a generous hardstand providing easy heavy vehicle movement, quality high clearance warehousing and fully refurbished office and showroom facilities. Campion Education will lease the property for **5 years** paying a **net face rent per m2 of \$72.50**. Dandenong is located around 35 km south east of the CBD.
[AFR 01/04/2014]

Industrial Lease, Glendenning Road, Glendenning, NSW 2761

Outdoor garden furniture supplier Good Living Global has sub-leased industrial space from GroMarket a distribution services provider. The property comprises a high clearance warehouse and will be leased by Good Living on a **15 month term**. The company will pay a net annual rental of \$484,000 for 4,400 m2 of space, displaying a **rate per m2 of approximately \$110**. Glendenning is around 48 km north west of the Sydney CBD.
[AFR 03/04/2014]

6/7 Jubilee Street, Warriewood, NSW 2102

Mona Vale based plumbing supplies and drainage specialist Fernco Australia has secured a new warehouse and office space on Sydney's northern beaches. The property comprises 126 m2 of office space and 957 m2 of warehouse. The lease displays a **rate per m2 of \$150** on a **3 year term** with a **3 year option**. Warriewood is located around 30 km north east of the CBD. [AFR 08/04/2014]

18-24 Ricketts Road, Mount Waverley, VIC 3149

Online outdoor furniture retailer Clickon Furniture has leased a new, larger warehouse in Melbourne's Mount Waverley. The popular online furniture business has secured a 3,600m2 warehouse owned by AMP Capital. Clickon will pay a gross annual rental of **\$75 per m2 for 5 years**, with a **5 year option** to extend the lease. The property is the only modern building in the monash precinct that is larger than 3,000 m2 and still boasts high clearance warehouse space. [AFR 08/04/2014]



Macquarie Park Business Precinct, Macquarie Park, NSW 2113

Biotech manufacturer Marquet Australia has leased a 1,272 m2 research facility in Sydney's popular Talavera Road business precinct in Macquarie Park. The lease for this high tech complex displays a **rate per m2 of \$270**, on an **8 year term**. The facility has 3 levels of office space, a low clearance research area and a high clearance warehouse at the back of the site. The office has been fully refurbished with new bathrooms, ceiling tiles, paint and carpet. Macquarie Park is located approximately 18 km north west of the CBD. [AFR 15/04/2014]

100-102 Woodlands Drive, Braeside, VIC 3195

International consumer goods packaging company Detmold Speciality Packing has secured a large office and warehouse space in Port Melbourne. The **2,594 m2** facility includes office space over two levels, a high clearance warehouse measuring 2,300 m2, dual driveways and extensive on-site parking. The rental is believed to be around **\$160,000 p.a.** on a **3 year term** with options. [AFR 15/04/2014]

31 Gilby Road, Mount Waverley, VIC 3149

Power tool and home hardware manufacture TTI Brands will open a new office in Mount Waverley in Melbourne's eastern suburbs. The company have secured a **5 year lease** with a **5 year option** for an office space and warehouse facility measuring nearly 2,500 m2. The premises is owned by DEXUS and comprise 1,710 m2 of office space and a 717 m2 warehouse. TTI will pay an **annual net rental per m2 of \$205**. Mount Waverley is situated approximately 20 km south east of the CBD. [AFR 22/04/2014]

Retail

248 Leach Highway, Myaree, WA 6154

Petbarn have signed a **7 year lease** for a 1,198 m2 retail property in Perth. The company has **two 5 year options** on the site paying a net rental of \$257,850 p.a. The lease displays a **rate per m2 of approximately \$215**. No further details were released. [The AU 03/04/2014]

1 Radar Street, Lytton, QLD 4178

Silk Contract Logistics has agreed to a **\$23 million pre committed lease** deal in Goodman Group's proposed \$40 million facility which borders an earlier development it completed for Kmart. The lease of the 19,900 m2 property displays a **rate per m2 of approximately \$1,156**. Lytton is located approximately 20 km north east of the Brisbane CBD. No further details were released. [AFR 15/04/2014]



Hotels

169 Dolphin Street, Coogee, NSW 2034

Sydney based hospitality group Merivale has secured a lease with an option to buy at the historic Beach Palace Hotel in Sydney's eastern suburb of Coogee. The leasing deal of the property is believed to be worth upwards of **\$30 million**. No further details were released. [AFR 04/04/2014]

Capital Raisings

GPT Group Raises \$188 million

The GTP Group has completed a second long-dated US Private Placement raising **US\$175 million (\$188 million)**. The issue is of 15 year notes at an average coupon of 4.35%. GPT Group's Chief Financial Officer Mark Fookes said the issue enhanced liquidity and extended the group's weighted average debt maturity profile to about 6.1 years. [AFR 10/04/2014]

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
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- Corporate Real Estate
- Mortgage
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- 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

W: 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

Greg Rowe

M: 0411 191 179

E: greg.rowe@prpsydney.com.au

Associate Directors

Ben Greenwood

M: 0448 656 103

E: ben.greenwood@prpsydney.com.au

Neal Smith

M: 0448 656 647

E: neal.smith@prpsydney.com.au

Michael Goran

M: 0448 757 134

E: michael.goran@prpsydney.com.au

Ben Toole

M: 0448 886 335

E: ben.toole@prpsydney.com.au

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