



**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.

MARCH 2014

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Sales

Commercial

Liverpool Street, Darlinghurst, NSW 2010

EG Funds Management has acquired Holdsworth House, a heritage listed boutique building in Sydney's fringe for **\$17.45 million**. The 5 storey office and retail property is situated along Liverpool Street in Darlinghurst providing a net lettable area of **4,471 m²**. The sale price reflected a **yield of 6.8%** and a **rate per m² of approximately \$3,903**.

[AFR 07/03/2014]

44 Waymouth Street, Adelaide, SA 5000

A **7,220m²** office tower in Adelaide has been purchased by a local developer Dimitri Aretzis for **\$14.1 million** from Indigenous Business Australia. The 13 storey tower is partially leased to tenants SA Health, IBA and internet service provider Sptcom displaying a **rate per m² of approximately \$1,953**.

[The AU 13/03/2014]

Charter Hall Adelaide Sales Wrap

Charter Hall's wholesale Core Plus Office Fund has taken over a **\$30 million half stake** in the Adelaide ATO Building from Aspen Group. Completed only last year the 37,000m² ATO building is anchored by the **Australian Tax Office on a 15 year lease** on the majority of the properties space along with **Australia Post who take up 15% of the building on a 10 year lease**. No further details have been released.

[AFR 14/03/2014]

119 Kippax Street, Surry Hills, NSW 2010

Cornerstone Property Group has purchased a mixed use building in Surry Hills for **\$24.475 million** in response to the hot demand for office assets with redevelopment potential in and around the outskirts of Sydney. The **6,752 m²** site is located 400 m from Central Railway Station and has a net passing income of more than \$900,000 per year. The mixed use zoning of the property allows for redevelopment into a retail/commercial building or a retail/residential complex, subject to council approval. The sale **displays a rate per m² of approximately \$3,625**.

[AFR 17/03/2014]



144 Pacific Highway, North Sydney, NSW 2055

The hype of residential sales sweeping Australia's major capital city markets has been exhibited through the sale of an aging commercial asset, which was purchased for an astounding **\$45 million** by a residential developer. The developer plans to develop the 24 storey medium-rise commercial building but is aware that there is a lot of work when planning this process. No further details were released.

[AFR 20/03/2014]



801 Ann Street, Fortitude Valley, QLD 4006

Billionaire Lang Walker has bought a site in Brisbane's booming Fortitude Valley for **\$22.2 million** from listed car dealer AP Eagers. The deal includes a delayed settlement period, with AP Eagers to lease the property for another three years. This will give Walker the opportunity to analyse the market and make an appropriate decision on what kind of development he will choose for the site, whether it be two 350 apartment residential towers or a commercial development. No further details were released.

[AFR 26/03/2014]

Industrial

2404 Logan Road, Eight Mile Plains, QLD 4113

The Investec Australia Property Fund has purchased the Garden City Office Park for **\$20.95 million** in Brisbane's south. The 3,568 m² property was sold on a **yield of 8.25%** displaying a **rate per m² of approximately \$5,632**. The property is fully leased with tenants including Healthscope and Bluecare. Eight Mile Plains is located around 14.3 km south east of Brisbane's CBD. No further details were released.

[AFR 03/03/2014]

Perth Sales Wrap

Two sites in Perth's West Leederville former industrial area have been sold to private investors. The Hisco property at 172 Railway Parade and its neighbouring property at 164-166 Railway Parade both sold with the likelihood of redevelopment. 172 Railway Parade sold for **\$8.7 million** while 164-166 Railway Parade sold for **\$10.2 million**. No further details were released.

[AFR 06/03/2014]

1-3 Ricketty Street, Mascot, NSW

An industrial property in Sydney's south east has been purchased for **\$14.5 million**. The property, which is partially leased by Qantas was purchased by a private investor has high clearance warehouse units that open onto a large yard area. Airline companies Qantas and Jetstar Transport Express are on short term leases. Mascot is situated around 11 km south west of the CBD.

[The AU 06/03/2014]



300 Parramatta Road, Auburn, NSW 2144

An industrial and office facility in Sydney's west has been purchased by private equity real estate investment group Altis Property Partners for **\$21 million**. The property which includes 360 car parking bays has a net income of \$2.9 million p.a. and is leased to Coles until late 2017. Auburn is located approximately 19 km north west of Sydney's CBD.

[The AU 13/03/2014]

Corner of Hammond Road & Rodeo Drive, Dandenong South, VIC 3164

Melbourne based commercial builders Vaughan Constructions has purchased a **9 hectare site** in Dandenong South. The company have intentions to develop the site, which is situated on the corner of Hammond Road and Rodeo Drive into a \$50 million business and logistics park. The site, which is currently vacant, was purchased from the Mitrousis and Romano families for a price understood to be in **excess of \$15 million**. The property is zoned industrial one allowing for manufacturing, warehousing, distribution and office use. The large site is situated within close proximity to major transport routes including EastLink, Dandenong Bypass and the Monash Freeway. Vaughan Constructions are currently in the process of development plans to sell or lease land and building packages within the site, ranging in size from 5,000 m² to 8 hectares incorporating buildings from 3,000 to 40,000 m².

[AFR 18/03/2014]

Industrial Sale, Ingleburn, NSW 2565

Boutique fund manager Quintessential Equity has acquired an A-Grade industrial property for **\$13.8 million** in Sydney's suburb of Ingleburn. The property comprises a 9,928 m² warehouse and single storey office, completed in 2002, which occupies just 15% of the land which leaves strong potential for further development of the site, with more than 44,000 m² of surplus land. A **3 year lease** is currently in place to Schneider Electric (Australia). Ingleburn is located approximately 50 km south west of the Sydney CBD.

[AFR 18/03/2014]

10 Killo Crescent, Glendenning, NSW 2761

Fatidin has purchased a factory and warehouse facility for **\$5.825 million** in Glendenning in Sydney's south west. The property includes two buildings on an area of 5,700 m². The sale displays a **rate per m² of approximately \$1,022**.
[AFR 27/03/2014]

Residential

34-40 Wilson Street, South Yarra, VIC 3141

A Melbourne based developer has acquired a **690 m²** residential development site in South Yarra in an off market campaign for around **\$5.5 million**. The site which sold with a planning permit for 56 apartments plus ground floor retail reflecting a **rate per m² of approximately \$8,000** and a **rate per proposed apartment of around \$98,214**. South Yarra is located around 5.5 km south east of the Melbourne CBD.
[AFR 05/03/2014]

84-92 Epsom Road, Zetland, NSW 2017

Australia's biggest apartment developer, Meriton Apartments group, owned by Harry Triguboff has snapped up a site in Sydney's south for a record price of **\$47.5 million**. Meriton intends to redevelop the site in what some experts predict to be a \$200 million project with around 250 units. Zetland is located in the new Green Square town centre, approximately 5 km outside of the Sydney CBD and the site is a part of the \$8 billion Green Square redevelopment. The sale price displays a **rate per proposed unit of \$190,000**.
[AFR 17/03/2014]



22 George Street, Leichhardt, NSW 2040

Chinese real estate developer Greenland purchased a high-profile block of land in Sydney's inner west suburb of Leichhardt. The 1 hectare block is believed to have sold for a price of around **\$45 million**, displaying a **rate per hectare of \$4,500** and a **rate per proposed apartment of \$184,426**. The former Kolotex hosiery and Label-craft factory has an indicative architectural scheme for about 244 apartments. Leichhardt is located approximately 6 km south west of Sydney's CBD. No further details were released.
[AFR 20/03/2014]

120 Victoria Road, Gladesville, NSW 2111

A vacant site has been sold in Sydney's north west to a private developer for **\$7.1 million**. The 1,391 m² mixed use development site is made up of two buildings over three titles, including a former drive-through bottle shop and retail shop both fronting Victoria Road. The sale displays a **rate per m² of around \$5,104**.
[The AU 27/01/2014]

Retail

Corner of Bridge Road & Palmer Street, Richmond, VIC 3121

A private investor has purchased a Dan Murphy's site along Bridge Road in Richmond, Melbourne for **\$12.3 million**. The two storey 1,942 m² property sold on a **5.3% yield** displaying a **rate per m² of approximately \$3,239**. The property includes 3,800 m² of floor space plus parking for 50 cars. It has a 60 metre frontage to Bridge Street and Palmer Street. The property is on a **15 year lease with four 5 year options** to Woolworths owned liquor outlet Dan Murphy's. Dan Murphy's pays an annual rent of

\$660,000. Richmond is situated approximately 4.5 km south east of the Melbourne CBD.
[AFR 27/03/2014]

Hotels

23-33 Lonsdale St, Melbourne VIC 3000

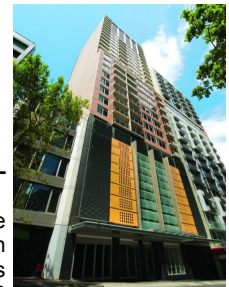
Hong Kong's Ovolo Group has beaten other off-shore investors in a bid to purchase the Oaks on Lonsdale serviced apartments complex in Melbourne's CBD. The group won the property with a sale price of **more than \$70 million**. At the Paris end of the Melbourne CBD, the 4.5 star property attracted huge demand from international buyers, with more than 220 inquiries. The property is **currently leased until 2017** to Oaks Hotels & Resorts with a further 3, 5 year lease extensions. The property comprises 148 guest rooms, most of which are one or two bedroom apartments; the sale price displays a **rate per existing apartment of around \$472,973**.
[AFR 13/03/2014]

Leasing

Commercial

22 McDonalds Lane, Nexus Court Mulgrave, VIC 3170

BMW Finance has signed a 3 year lease for offices at Salta Properties \$330 million Nexus Corporate estate in Melbourne's south east. The lease of the 2,925 m² property totals to \$1.3 million for the 3 year period. The deal displays a **rate per m² of approximately \$150** for the B-Grade office accommodation. Tenants in the hi-tech business park are at the intersection of Monash Freeway and Springvale Road, and are located approximately 20 km from Melbourne CBD.
[AFR 18/03/2014]



Industrial

17-25 Wedgewood Road, Hallam, VIC 3803

EcoClassic group has secured a **5 year lease** on an industrial space in Melbourne's south east. The lease of the 4,600 m² property has a **net annual rent of \$475,552** displaying a **rate per m² of approximately \$103**. The property includes a 4,600 m² warehouse and a 616 m² office. Hallam is situated around 39 km south east of the Melbourne CBD.
[AFR 20/03/2014]

Unit A, 731 Curtin Avenue, Pinkenba, QLD 4008

Cement producer, Cement Australia has secured a new warehouse space in Pinkenba, east Brisbane. The group have agreed to a **net annual rent of \$570,000** for the **3,003 m²** warehouse on a **6 year lease**. The property boasts several features including a detached ground floor office, a high and low bay workshop and warehouse and 11,432 m² of hardstand space. Cement Australia plan on using the site as a transport maintenance facility.
[AFR 25/03/2014]

Retail

330 Pinjarra Road, Mandurah, WA 6210

Non-Stop 24 hour Fitness, a new gym competitor has snapped up a prime site in Mandurah in Western Australia's Margaret River region. The group has leased a **2,339 m²** site in the Mandurah Terrace shopping complex alongside other major retailers such as OfficeWorks, Bunnings Warehouse, Rick Hart and Fleet Cycles. The Fitness Centre operator will pay a **net annual rental of \$397,681** displaying a **rate per m² of \$170** on a **7 year term with a 5 year option** to extend. Mandurah is located approximately 72 km south of the Perth CBD.
[AFR 18/03/2014]

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

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