



**Preston**  
*Rowe*  
**Paterson**

®  
National Property Consultants

# Property Market Report

## Queensland

### 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 and residential market as well as economic factors impacting on the real estate markets within we operate.

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.

To compile the research report we have considered the most recently available statistics from known sources. Given the manner in which statistics are compiled and published they are usually 3-6 months out of date at the time we analyse them. Where possible we consider short term movement in the statistics by looking at daily published data in the financial press. Where this shows notable fluctuation, when compared to the formal published numbers we have commented accordingly.

### September Quarter 2014

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Phone: +61 2 9292 7400

Fax: +61 2 9292 7404

Address: Level 14, 347 Kent Street Sydney NSW 2000

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

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

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# Economic Fundamentals

## GDP

According to the Australian Bureau of Statistics, the Australian economy recorded a quarterly growth of 0.3% seasonally adjusted which reflect a growth of 2.7% seasonally adjusted over the twelve months to September 2014.

The main contributors to expenditure on GDP were Net exports which increase by 0.8% and Final consumption expenditure increased by 0.4%.

In seasonally adjusted terms, the main industry gross value added contributors to GDP were the Mining services which increased by 9.5%, Accommodation and food services which increased by 8.6% and Financial and insurance services up by 6.1%.

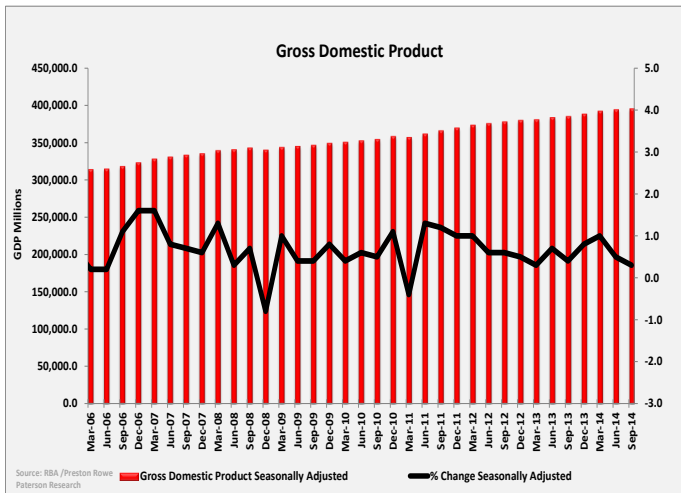


Chart 1 – Gross Domestic Product (GDP) – Source ABS

## Labour force

Over the month to September 2014, the number of unemployed people increased by 11,027 from 735,530 in August to 746,557 in September which is a 1.50% increase. In comparison to September 2013, the number of unemployed people has increased by 52,306 which reflected a percentage increase of 7.53%. The unemployment rate is 6.1%.

The number of employment over the month to September 2014 recorded a decrease of 29,700 persons from 11,622,200 in August to 11,592,500 in September. In comparison to September 2013, employment in Australia recorded growth of 126,130 reflecting a percentage increase of 1.1%.

New South Wales experienced a large absolute decrease in seasonally adjusted employment by 4,100 persons. The unemployment status in New South Wales over the September Quarter increase by 0.1% to 5.8%.

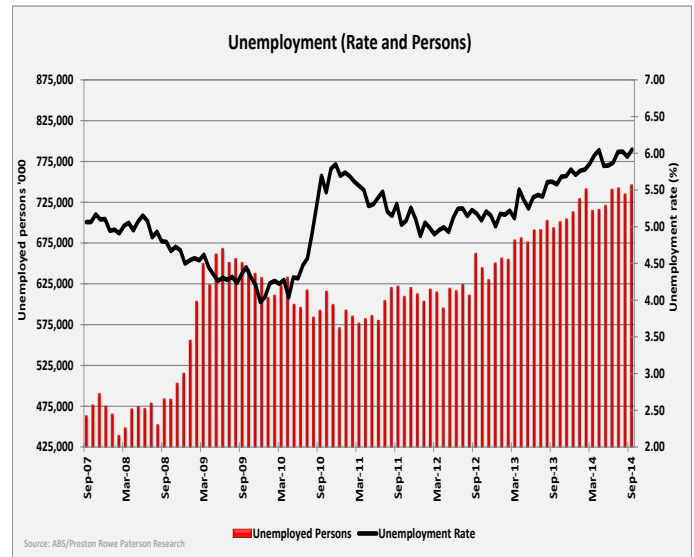


Chart 2 – Unemployment – Source ABS

## Interest Rates

As at the date of publishing, the official Cash Rate over the September quarter 2014 remained unchanged at 2.50%. The Reserve Bank of Australia's Media Release for October 2014, released 7th October 2014 explained that;

*"In Australia, most data are consistent with moderate growth in the economy. Resources sector investment spending is starting to decline significantly, while some other areas of private demand are seeing expansion, at varying rates. Public spending is scheduled to be subdued. Overall, the Bank still expects growth to be a little below trend for the next several quarters."*

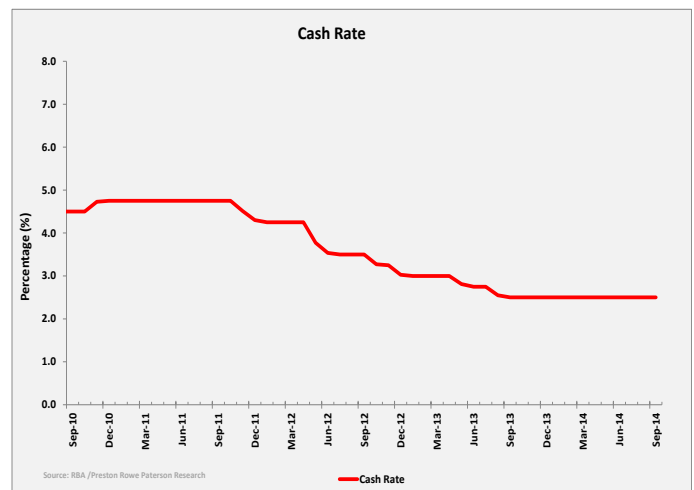


Chart 6 –Cash Rate – Source RBA

## CPI

According to the Australian Bureau of Statistics (September 2014), the Australia's All Groups CPI increased by 0.5% over the September quarter from 105.9 to 106.4. The annual CPI change to September 2014 recorded a growth of 2.3%.

The most significant price rises over the September quarter were for fruit (+14.7%), property rates and changes (6.3%). The greatest price fall over the September quarter was attributed to electricity (-5.1%) and automotive fuel (-2.5%).

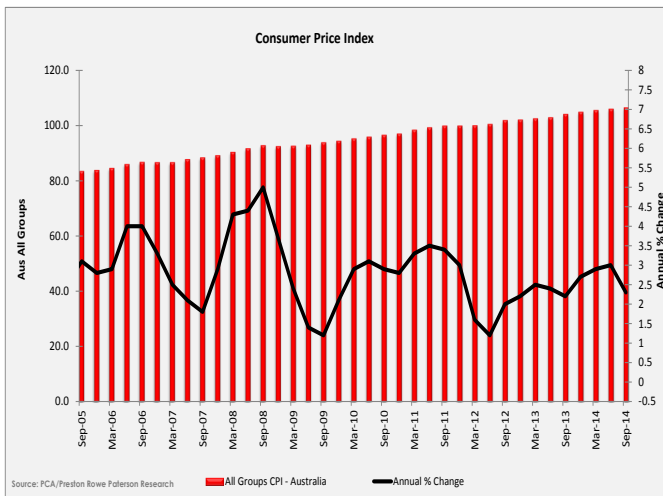


Chart 4- Consumer Price Index—Source—ABS

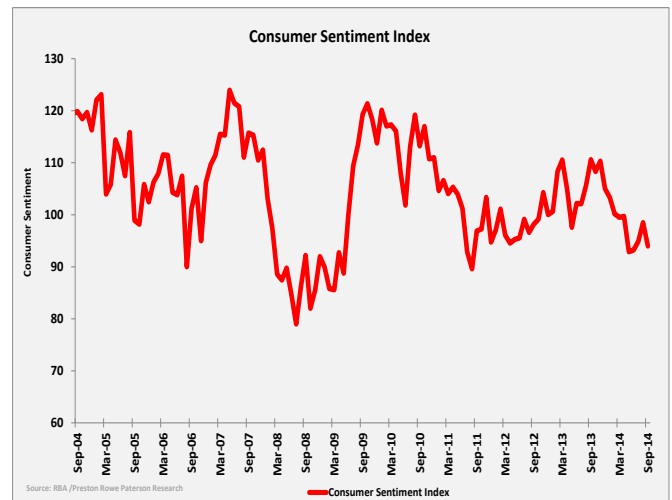


Chart 5 – Consumer Sentiment Index—Source—Westpac Melbourne

## Consumer Sentiment

The Westpac Melbourne Institute of Consumer Sentiment Index fell by 4.6% in September from 98.5 index points in August to 94 index points in September. Over the quarter the index has increased by 0.8 points. Over the twelve months to September the index declined by 16.6 index points, reflecting a decline of 15.01%.

The Index has fell below the June quarter's recovery and is expected to continue to do so. Westpac's Chief Economist, Bill Evans stated; *"This is a surprising and disappointing result...From June to August the Index had lifted by 5.9% to find it only 1.3% below the pre-Budget level. The Index is now 5.8% below the pre-budget level and only 1.1% above the post-Budget print"*.

## Commercial Office Market

### Brisbane CBD



### Investment Activity

Preston Rowe Paterson Research recorded some reported sales transactions that occurred in the Brisbane CBD Office Market during the three months to September 2014.

#### **153 Campbell Street, Bowen Hills QLD 4006**

Sentinel Property Group is buying Centuria Funds Management's **Citilink Business Centre** for about **\$65 million**. The property is located opposite the Royal Brisbane Hospital and there are many medical tenants as well as the Queensland government, Sunstate Airlines and The Travel Corporation. The property is divided into two 5 storey buildings with further room for development.



#### **53 Brandl Street, Eight Mile Plains, QLD 4113**

Industria REIT had sold a commercial property for **\$10.25 million**, which is over the book value of \$9.2 million, after an unsolicited offer by a private investor. The two storey property has building area of 3,007 sqm on a 3,627sqm site. It was sold on a **4.7% yield**.

### Leasing Activity

Preston Rowe Paterson Research recorded relatively low leasing transactions that occurred in the Brisbane CBD Office Market during the three months to September 2014.

#### **192 Ann Street, Brisbane QLD 4000**

Growthpoint Properties Australia had extended a lease with AMP for about **3.6 years** in the **1,382 sqm** office in south Brisbane.

#### **3398 Pacific Highway, Springwood, QLD 4127**

Vocational Education and Training Group Evocca College has leased a **1,600 sqm** office space along the Pacific Highway in Springwood, Brisbane. Evocca College has taken a **5 year lease with options** to extend at an **annual net rental of about \$300 psm**. The two storey building is located next to the college's headquarters and comprises modern fitted out offices, a large open plan area and reception with Parking.



### Supply by Grade (Stock)

According to the Property Council of Australia (PCA) Office Market Report July 2014, the Brisbane CBD office market recorded a growth of 861 sqm to bring total stock levels to 2,187,984 sqm in the six months to July 2014. The 9,979 sqm of supply additions to the Brisbane CBD market was offset by 9,118 sqm of withdrawals.

The Brisbane CBD office market is dominated by A Grade at (39.7%) and B Grade at (38.1%), whereas the Premium Grade stock assumed 9.3% of total office space.

Premium Grade, A Grade, C Grade and D Grade stocks remained unchanged at 204,056 sqm, 869,017 sqm, 221,596 sqm and 60,394 sqm respectively. B Grade stock increased by 861 sqm to 832,921 sqm.

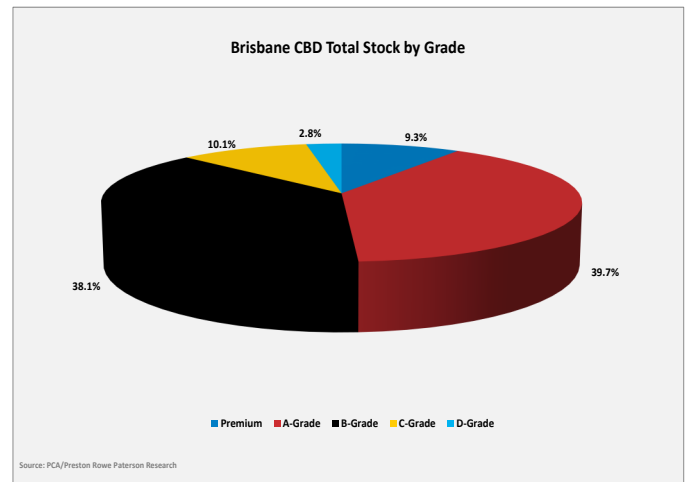


Chart 6 – Brisbane CBD Total Stock by Grade – Source PCA

### Net Absorption

The Brisbane CBD office market recorded a total net absorption of –9,431 sqm in the six months to July 2014. The only positive market absorption were in the A Grade and C Grade office stocks, absorbing 2,838 sqm and 1,919 sqm respectively.

B Grade stock recorded the highest negative absorption at –10,958 sqm. This was followed by Premium Grade at –2,831 sqm and D Grade at –399 sqm net absorption in the six months to July 2014.

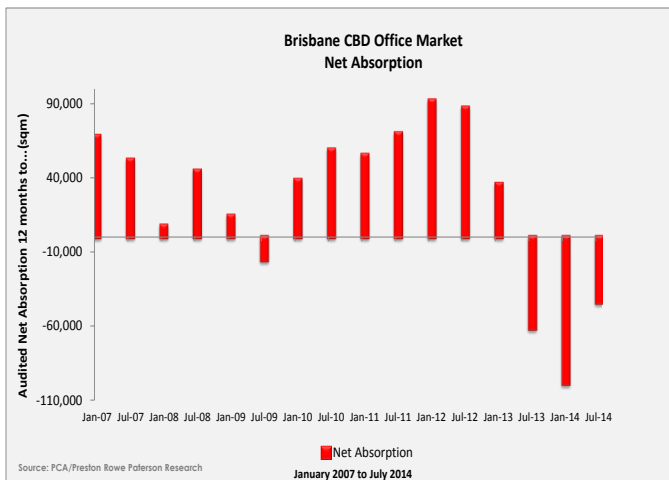


Chart 7 – Brisbane CBD Office Net Absorption – Source PCA

### Total Vacancy

The total vacancy in the Brisbane CBD office market over the six months to July has increased by 0.5% to 12.1% at 321,101 sqm, with direct vacancy and sub-lease vacancy increasing to 264,280 sqm and 56,821 sqm respectively.

Six months to July 2014, Premium Grade and B Grade office stock both recorded a 1.4% increase of vacant stock totalled to 29,005 sqm and 167,008 sqm respectively. D Grade stock vacancy noted a 0.7% rise to 10,139 sqm of total vacancy.

Conforming with the net absorption of office stock, the B Grade and C Grade recorded an decrease of 0.4% and 0.9% respectively to total vacancy levels of 88,935 sqm and 26,014 sqm respectively.

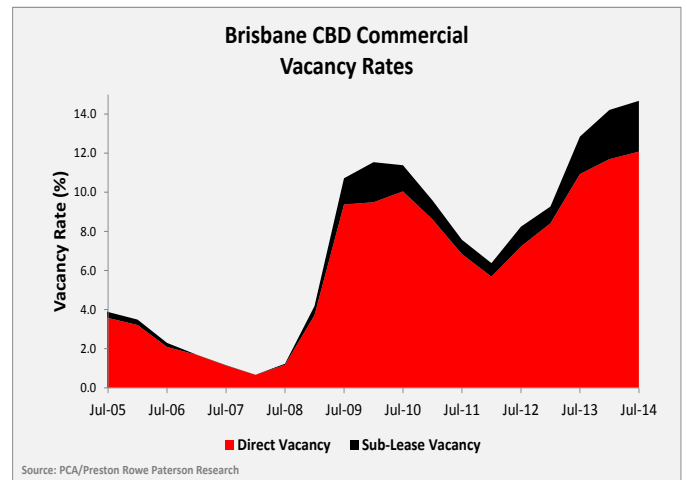


Chart 8 – Brisbane CBD Commercial Vacancy Rates – Source - PCA

## Gold Coast Office Market



### Supply by Grade (Stock)

According to the PCA's Office Market Report 2014, over the six months to July 2014, the Gold Coast total office space experienced a supply addition of 13,422 sqm which was offset by 11,305 sqm of withdrawals. There was 462,007 sqm of office space as at July 2014.

A Grade and B Grade stock experienced a growth of 1.29% and 1.55% to 129,956 sqm and 180,908 sqm respectively. C Grade stock levels remained unchanged at 136,004 sqm.

D Grade office stock was the only class to record decrease of 2,294 sqm of supply withdrawals resulting to 15,139 sqm of total stock.

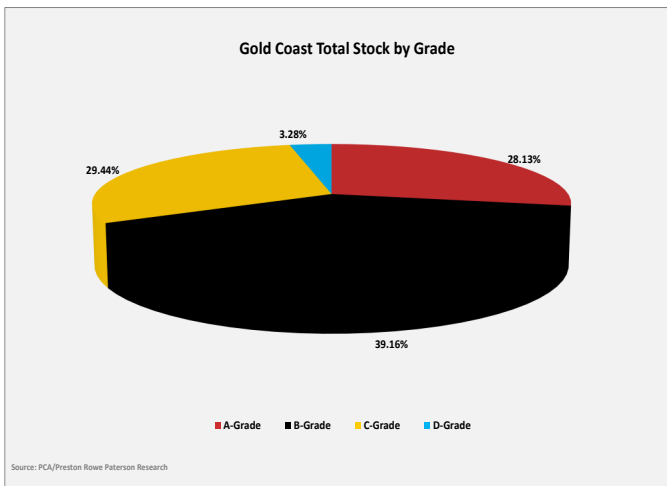


Chart 9 – Gold Coast Total Stock by Grade – Source PCA

### Net Absorption

The total market net absorption was recorded at 21,140 sqm over the six months to July 2014. All grades of office space recorded positive absorption except for D Grade which noted -657sqm net absorption. B Grade absorbed the highest floor space at 5,335 sqm, followed by A Grade (3,055 sqm) and C Grade (1,902 sqm).

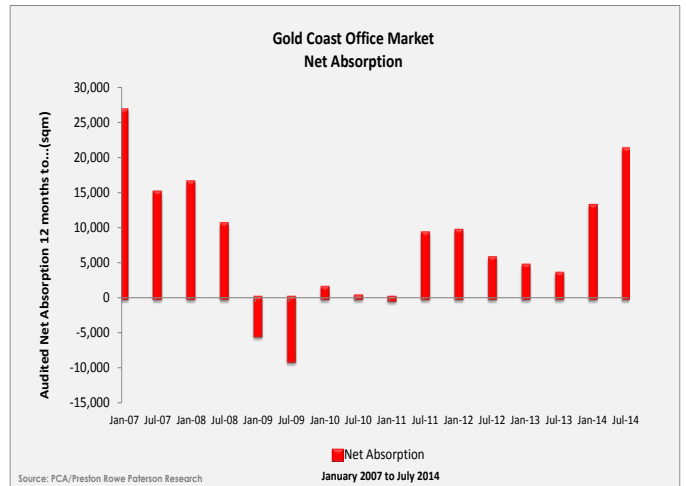


Chart 10 – Gold Coast Office Net Absorption – Source PCA

### Total Vacancy

The Gold Coast office market recorded a tightening in total vacancy of 1.7% to 69,100 sqm (15%) as at July 2014. Sub-lease vacancy accounted for 0.1% of the total and 14.9% was attributed to direct vacancy.

The Gold Coast office market total vacancy had decreased across all grades of office space. The largest fall in vacancy rate was D Grade stock, falling by 6.6% to 21.6% at 3,267 sqm. B Grade vacancy was at 11.2% (20,194 sqm), C Grade vacancy at 15.4%(20,972 sqm) and A Grade vacancy at 19% (24,667 sqm).

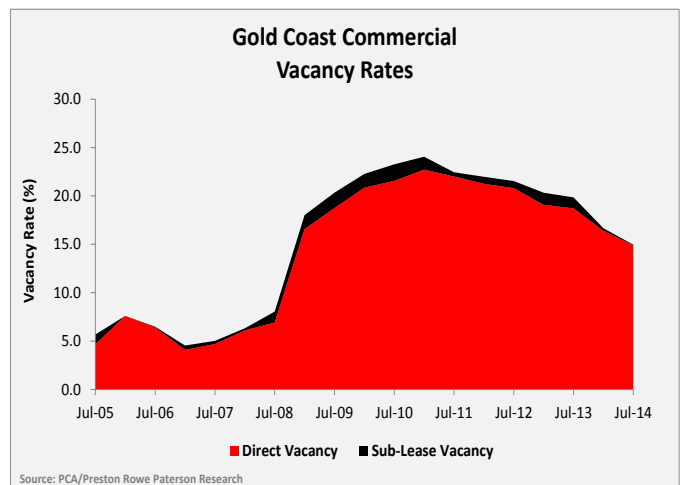


Chart 11– Gold Coast Commercial Vacancy Rates – Source ABS

## Retail Market

### Investment Activity

Preston Rowe Paterson Research recorded a number of retail transactions that occurred in Queensland during the September quarter 2014;

#### Brisbane Road, Booval, QLD 4304

King of the retail market Gerry Harvey has paid **\$10.8 million** for a **Bunnings Warehouse** in Ipswich, Queensland. This **8,600 sqm** warehouse within the Booval Homemaker Centre, located just outside the Ipswich CBD will be vacated by Bunnings in October next year. Until Bunnings Warehouse lease commences Mr. Harvey will fill the space with a Harvey Norman store. The sale displays a rate of approximately \$1,256 psm.

#### 97 Flockton Street, Everton Park, QLD 4053

EG Funds Management has paid **\$41.2 million** for Consolidated Properties' **Northwest Plaza** at Everton Park in Brisbane. Consolidated acquired the Northwest Plaza neighbourhood shopping centre for \$15 million in 2011 and completed a \$15 million refurbishment and upgrade of the centre in 2012. The **9,489 sqm** centre sits on a 9 ha site and is fully leased, anchored by a new full line Woolworths on a 20 year lease alongside 30 speciality stores and an early childhood development centre. The sale of the shopping facility reflects a rate of \$4341.87 psm and a **yield of 7.7%**. Everton Park is located approximately 8km north of the Brisbane CBD.



#### 665-687 Cusack Lane, Jimboomba, QLD 4280

Sentinel Property Group has paid **\$20 million** for the **Jimboomba Junction Shopping Centre** in Brisbane's south. The deal for the centre, which is anchored by Coles was brokered on a **yield of about 9%**.

### Leasing Activity

Preston Rowe Paterson Research recorded relatively low retail leasing activity that occurred over the three months to June 2014.

#### 339 Brisbane Street, Ipswich, QLD 4305

National pet care and supplies retailer Best Friends are moving to **Ipswich Homebase** homemaker centre after signing a new lease for a **1,281 sqm** retail space in the shopping centre. The company will pay a **net annual rent of \$269,010** for the 1,281 sqm retail space on a **10 year lease** reflecting **\$210 psm**. The centre features three buildings with a total net lettable area of 12,903 sqm and tenants including Fantastic Furniture, Spotlight, Trade Secret, IGA and Chemist Warehouse. Ipswich is located 40km west of the Brisbane CBD.



## Economic Statistics

According to the Australia Bureau of Statistics category 8501.0 Retail Trade (September 2014), the retail turnover figures recorded in Queensland produced varied results. Total retail turnover for Queensland over the month of September grew by 0.63% to \$4,813 million. This increase over the month reflected annual growth of 1.93%.

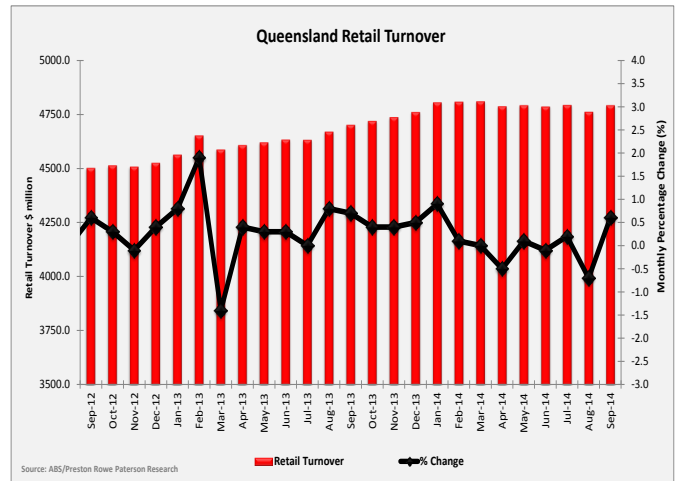


Chart 12—Queensland Retail Turnover— Source ABS

The retail turnover for the month of September 2014 was predominantly positive over the retail industries bar Other retailing and Cafes, restaurants and takeaway services. The two industries recorded a decline of 1.44% and 0.55% to \$680.4 million and \$722.2 million monthly turnover respectively.

The highest monthly retail growth was in the Household goods sector which grew by 4.10% in September and recorded a \$793.1 million turnover. Clothing, footwear and personal accessories, Food retailing and Department stores saw to a marginal increase of 0.84%, 0.50% and 0.30% at monthly turnovers of \$2,99.7 million, \$2,014.3 million and \$303.3 million respectively.

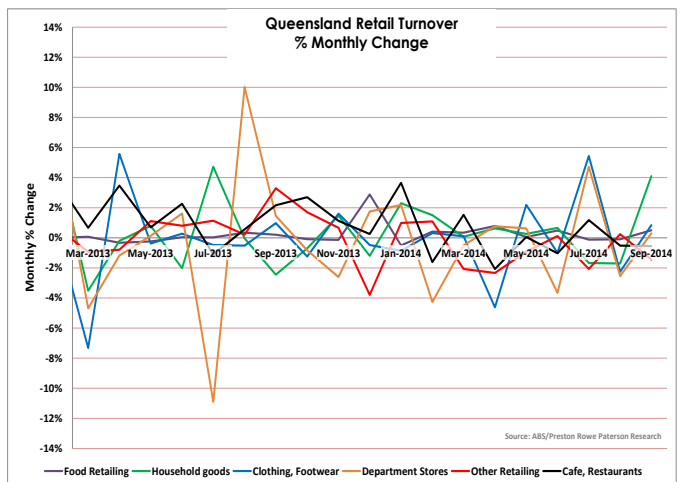


Chart 13—Queensland Turnover % Monthly Change— Source ABS

## Industrial Market

### Investment Activity

Preston Rowe Paterson Research recorded a number of sales transactions that occurred in the Brisbane Industrial Market, during the three months to September 2014;

#### 45 Barku Court, Hemmant QLD 4174

Viking Industries that went into receivership have sold off the Brisbane port industrial site for **\$60 million** to local private business Marine Holdings. The site is **40 hectares** with freehold titles provides berthing facilities for a variety of vessels and potential for mariner expansion.

#### 98 Freight Street, Lytton QLD 41787

Chupatti Pty Ltd has sold an A Grade industrial facility to a private investor for **\$5.45 million**. The industrial facility, a part of the Lytton Industrial Estate, comprises of a **3,603 sqm** warehouse and a 400 sqm office showroom. Chupatti has leased back the facility for two months while its new building in Staplyton is completed.



#### 731 Boundary Road, Darra QLD 4076

Fife Capital has purchased a distribution facility in Brisbane's south for **\$15.5 million** on a **yield of 8%**. The **9,900 sqm** facility is leased to Corporate Express, also known as Staples, for another 5 years.

#### 9 Anton Road, Hemmant QLD 4174

Lend Lease's Australian Prime Property Fund has bought the vacant Bunnings Warehouse near Port of Brisbane for **\$21.275 million** from Bunnings Warehouse Property Trust. The **18,289 sqm** property sits on a 35,430 sqm site. It features high clearance warehouse/storage area, hardstand area, ESFR sprinklers and a full drive around access.



### Leasing Activity

Preston Rowe Paterson Research recorded a few leasing transactions that occurred in the Brisbane Industrial Market during the three months to September 2014;

#### 280 Cullen Avenue, Eagle Farm QLD 4009

Socap Pty Ltd had leased a **1,680 sqm** warehouse to global pip supplier LFF Australia. LFF signed a **5 year term with options to extend** on an annual rent of approximately **\$140 to \$150 per sqm**.

#### 56 Secam Street, Mansfield, QLD 4122

Japanese food and wholesaler company, Nippon Food Supplies has signed a **3 year lease** on a **1,305 sqm** industrial facility in Queensland. The company will pay a **net annual rent of \$150,600**, reflecting a rate of **\$115.40 psm** for the facility that comprises a 7m internal clear span clearance warehouse with two roller doors and is close to the port and major highways.



## Specialised Properties Market

### Investment Activity

Preston Rowe Paterson Research recorded some sales transactions that occurred in the Brisbane Specialised Market, during the three months to September 2014;

#### 5 Martens Street, Mt Warren Park QLD 4207

Ingenia Communities had offloaded the **Noyea Riverside Village** retirement village in South-East Queensland to Retire Australia group for **\$5.3 million**. Noyea operates on a deferred management fee structure and nets the income when retiree sells the home.



#### 341 Hope Island Road, Hope Island QLD 4212

A Gold Coast private investor had purchased a **7-Eleven** petrol station and convenience centre for **\$6.77 million**. The purpose built property sits on a **5,055 sqm** site and is anchored by 7-Eleven and Subway, Thirsty Camel and Swimart. It brings an **annual income of \$502,535** on a **7.42% yield**.





## Residential Market

### Economic Statistics

According to the Australian Bureau of Statistics category 8731.0 Building Approvals September 2014, the total number of house dwelling approvals in the Brisbane Statistical Division over the month to September 2014 has showed growth of 11.70% from 923 approvals to 1,031 approvals. In comparison to September 2013, growth of 38.39% was recorded.

The total number of non-house dwelling approvals has fallen over the month by -39.46% from 1,437 approvals in August, to 870 dwelling approvals in September. In comparison to twelve months prior, non-house building approvals decreased by -16.10%.

The year to date 2014, Brisbane total dwelling approvals, recorded 395,922 approvals..

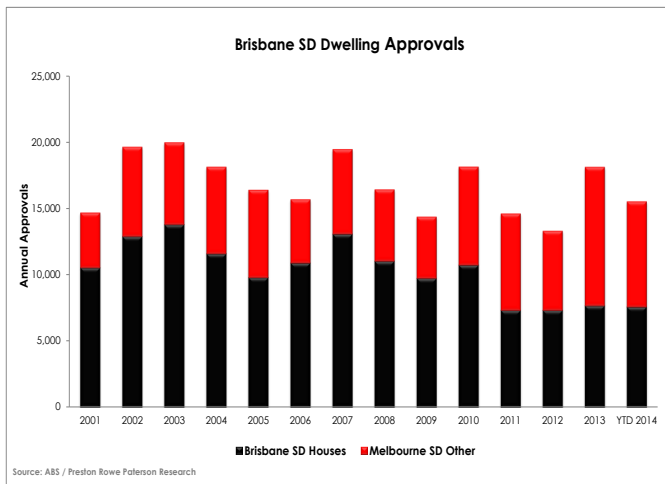


Chart 12—Brisbane SD Dwelling Approvals—Source ABS

## QUEENSLAND

### Market Affordability

According to Real Estate Institute of Australia (REIA), over the June 2014 quarter, the Brisbane median house price decreased by 2.2% to \$470,000. This reflects a 5.6% annual increase.

Over the three months to June 2014, the most significant increases attributed to Inner Brisbane houses which increased by 6.7% to \$800,000, followed by Gold Coast with a 3% increase to \$515,000. Sunshine Coast, Middle Brisbane and Cairns median house prices rose to \$475,000 (2.2%), \$530,000 (1.9%) and \$381,000 (1.6%) respectively.

Both Outer Brisbane and Townsville recorded quarterly decline of -0.7% and -1.1% to the median house prices of \$360,000 each respectively.

In comparison to the June 2013, all zones recorded increases apart from Outer Brisbane and Townsville which decreased by 1.4% and 0.8% respectively. Inner Brisbane, Gold Coast and Cairns recorded the greatest growth over the year of 16.8%, 10.5% and 10.2% respectively.

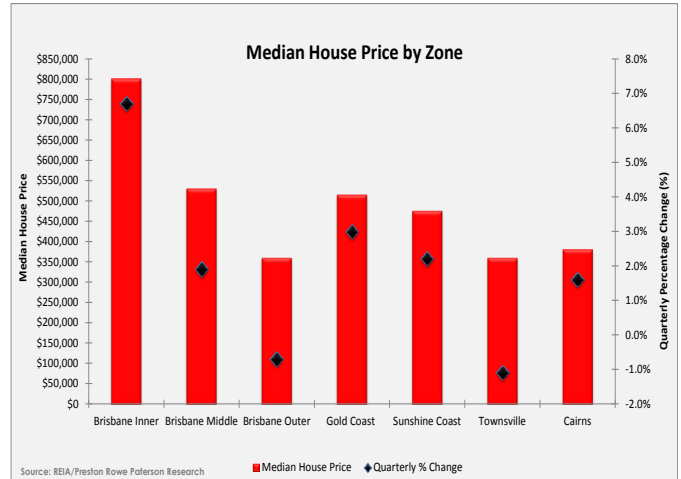


Chart 12—Median House Price by Zone— Source REIA

A majority of the other dwelling median sale prices in Brisbane recorded an increase, except for Sunshine Coast which fell by 3% to a median price of \$350,000.

The largest growth is Cairns, Outer Brisbane and Townsville reaching 4.7%, 4.4% and 1.9% increases reflecting \$222,000, \$295,000 and \$270,000 median sales prices.

Year on year comparison has revealed positive growth. Inner and Outer Brisbane recorded an annual growth of 4.7% and 5.7% to a sales price of \$450,000 and \$370,000 respectively. The Gold Coast other dwellings median sales price increased by 2.5% to \$350,000.

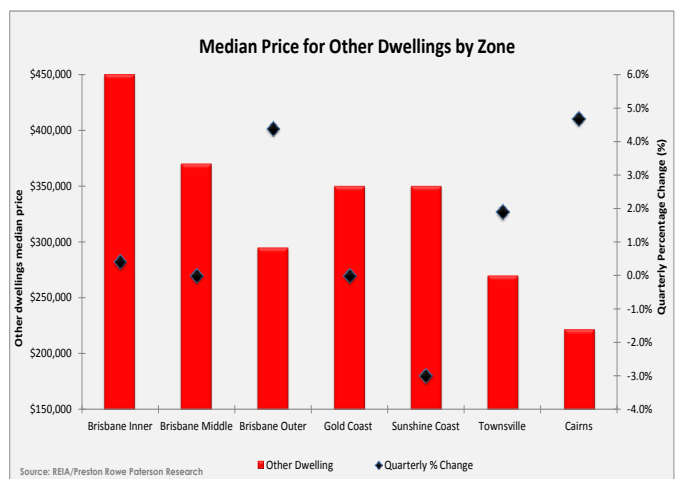


Chart 13—Median Price for Other Dwellings by Zone— Source REIA

## Rental Market

The June quarter recorded varied results with the majority of zones increasing or remaining unchanged. The Cairns house rents remained unchanged from the March quarter with weekly median rent for the 2,3, and 4 bedroom houses at \$290, \$350 and \$410. Townsville house rents across the 2, 3 and 4 bedroom houses recorded a decline of -6.5%, -5.7% and -5%. Middle Brisbane noted mixed results with 2 bedroom house weekly median rent remained unchanged at \$370, and decrease of -2.4% and -2% in rents for 3 and 4 bedroom houses to \$400 and \$490 respectively.

Year on year analysis revealed positive results across Brisbane and Gold Coast median house rents. Inner Brisbane recorded the highest annual change to weekly median rent across 2, 3 and 4 bedroom houses at \$450 (4.7%), \$520(2%) and \$710 (2.9%) respectively. Outer Brisbane's 2, 3 and 4 bedroom house rents grew by 3.7%, 1.6% and 1.3% to the weekly median rent of \$280, \$325 and \$385 respectively. The Gold Coast weekly median rents rose to \$345 (2 bedroom), \$410 (3 bedroom) and \$470 (4 bedroom).

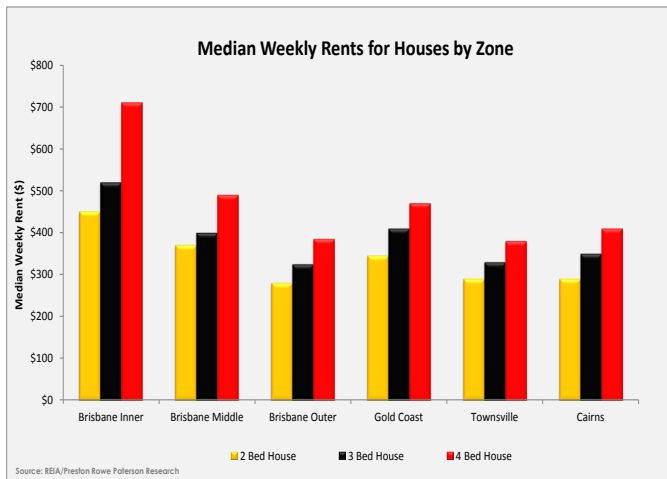


Chart 14—Median Weekly Rents for Houses by Zone— Source REIA

Other dwellings rental rates over the June quarter recorded mixed results, with 3 zones recording declines. Middle Brisbane recorded no rental changes to 1 bedroom other dwellings (\$270) and declines in the 2 and 3 bedroom other dwellings to \$360 (-1.4%) and \$400 (-2.4%). Cairns noted decreases in median weekly rent in the 1 and 2 bedroom other dwellings of -4.8% and -3.6% to \$200 and \$270 respectively. Townsville experienced a median rental decline across the 1, 2 and 3 bedroom other dwellings to \$230, \$270 and \$365.

The most significant growth over the quarter was attributed to Outer Brisbane 1 bedroom other dwellings with a 4.8% increase to median weekly rental of \$220. Followed by Inner Brisbane 1, 2 and 3 bedroom other dwellings rental growth of 2.9%, 2.1% and 1.7% to the median weekly rental of \$360, \$480 and \$610 respectively.

Year on year also revealed a mixed result in the June quarter. The largest annual growth of median weekly rental was recorded in the Townsville 3 bedroom other dwellings at a growth of 28.1%.

Some zones recorded no annual changes to median weekly rent, they include Inner Brisbane 1 bedroom, Middle Brisbane 3 bedroom, Outer Brisbane 2 and 3 bedrooms and Townsville 3 bedroom other dwellings. The outer 2 and 3 bedroom other dwelling rents was recorded at \$270 and \$330 median weekly rent.

The Gold Coast other dwellings median weekly rent recorded an annual growth of 1.7%, 2.9% and 2.7% to 1 bedroom (\$295), 2 bedroom (\$350) and 3 bedroom (\$380) respectively.

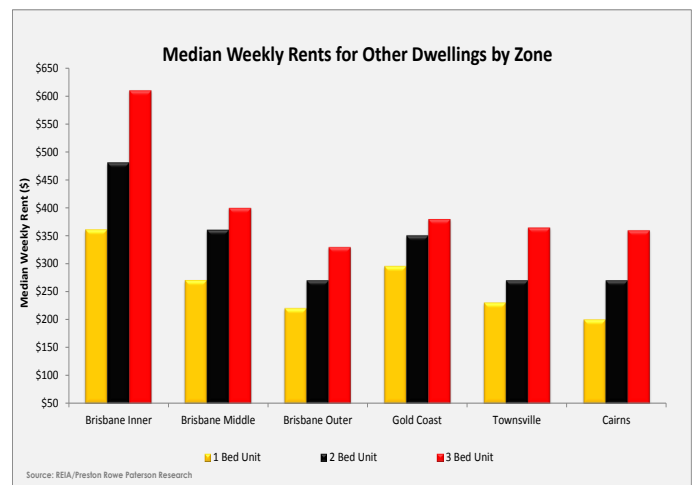


Chart 15—Median Weekly Rents for Other Dwellings by Zone— Source REIA

## Hotel & Leisure Market

### Investment Activity

Preston Rowe Paterson Research recorded a number of sales transactions that occurred in the Queensland Hotel & Leisure Market, during the three months to September 2014;

#### 223 Padstow Road, Eight Mile Plains QLD 4113

Former PRD Nationwide boss Gary Vugler had sold the **Sunnybank Star Motel and Apartments** in South Brisbane for around **\$13 million** to a Perth family. The property is sold on a **yield of 10.3%**. The new owners will operate the hotel under an existing franchise agreement with the Best Western Hotel Group. The property comprise of 60 rooms.

#### 1386 Beaudesert Road, Acacia Ridge QLD 4110

Sydney publican Peter Calligeros and his business partner had purchased the **Acacia Ridge Hotel** in Brisbane for **\$16 million**. The hotel is 18,450 sqm with a **GFA of 9,000 sqm**. The premises holds 40 gaming machine authorities, multiple bars, a gaming room, function rooms and a bistro, bottle shops, 27 motel rooms and 233 car spaces.



#### 171 George Street, Brisbane QLD 4000

Toga Far East Hotels, Sydney's Toga Group and Singapore's Far East Hospitality Group, has bought the heritage listed building from a private company for around **\$35 - \$45 million**. Toga Far East Hotels has plans to convert the building into a hotel.

#### 158 Lutwyche Road, Windsor QLD 4030

Sunfresh Linen has purchased **Ibis Budget Windsor Hotel** in Brisbane for about **\$7 million** from Kildair Hotels Group. The budget hotel is located about five minute drive from the CBD and 15 minutes from the airport. The hotel features 50 rooms some of which are reduces mobility rooms, onsite parking and a buffet.



#### 34 Anzac Avenue, Redcliffe, QLD 4020

**First Choice Liquor & Redcliffe Tavern** in Brisbane's northern suburbs has been sold to a private investor for **\$11.5 million** on a **yield of 7.27%**. The vendor was an unlisted fund set up by Queensland fund Manager Harvest Property Group and investment banker Trevor Loewensohn's Alceon Group. The property comprise of a bistro, bar and 40 gaming machines.

## Regional Market

### Investment Activity

Preston Rowe Paterson Research recorded a number of sales transactions that occurred in the Queensland Regional Market, during the three months to September 2014;

### Commercial

#### 63 Sturt Street, Townsville City, QLD 4810

Sydney based fund manager STRADA Group had paid around **\$10 million** to The Industry Superannuation Property Trust (ISPT) for its **Suncorp Tower** in Townsville. The sale price was a 40% discount to the \$16.4 million price ISPT paid for the property 7 years ago. The 13 storey high rise building is the tallest tower in the city and is currently occupied by Suncorp. The directors of STRAD believe Townsville's office market has strong growth prospects and the area has been a target market for the company for a number of years.



### Industrial

#### 161 Brown Street, Bungalow QLD 4870

A warehouse property was sold with a current rent in-place for **\$650,000**. The property comprise of an older style timber frame shed with a **GBA of 502 sqm**, an additional 158sqm of skillion attached to the shed, office and mezzanine floor and storage area. The **annual net income is about \$71,835**. It is currently leased by Bungalow Auto Spares. The **market yield is approximately 9.25%**.

#### 1-3 Industrial Avenue, Stratford QLD 4870

The **2,064 sqm** industrial facility located in the Cairns region was sold for **\$2.7 million on a yield of 7.54% - 8.5%**. The property comprise of a freestanding building and a strata unit. The strata unit is about 744 sqm. The freestanding building comprise of 905 sqm of quality, high clearance warehouse and includes a two level showroom and office area.

#### 77 Buchan Street, Portsmith QLD 4870

A warehouse and office in the Cairns region was sold to a private investor for **\$920,000** at a **net yield of 8.5%** in a sale and leaseback scenario. The **715 sqm** property is leaseback to the Jackson & Jackson with a starting **annual net rent of about \$78,000**.

#### 43-51 Diesel Drive, Paget, QLD 4740

A warehouse and office complex in Paget, an industrial precinct of Mackay, has sold to a private Melbourne investor for **\$8 million**. The **10,000 sqm** property is leased to long term tenant Industrial safety company, Bullivants, at a **yield of 8.5%**. The sale reflects a rate of \$800 psm.



## Retail

### 111 George Street, Rockhampton QLD 4700

A Brisbane based REIT has acquired the **One Eleven on George** retail centre from Sandhurst Trustee Ltd for **\$5.55 million**. The 7 year old retail property is **1,400 sqm** with long term leases with Pizza Hut, Wok Me, Doctor's Surgery, Night Owl, Australian Sports Nutrition, Discount Drug Stores and The Coffee Club.

### 30-50 Warrego Highway, Chinchilla, QLD 4413

A private Melbourne syndicate has purchased **The Village Travel Centre** in Chinchilla, Queensland. The centre sold for **\$10.1 million** reflecting a rate of \$956.08 psm. The **10,564 sqm** fast food and convenience centre is anchored by a Caltex service station and has a range of tenants including KFC, Subway, Coffee Club, Bottlemart and Sunshine Kebabs. The property has an annual rental income of \$861,367 and a WALE of 8.63 years. The site consists of two separate complexes, a 3,942 sqm lot leased to the Fast Food Village tenants and a 6,622 sqm lot used by Caltex and KFC. Chinchilla is located 289 km north-west of the Brisbane CBD.



## Specialized Properties

### 1102-1108 Bribie Island Road, Ningi QLD 4511

A Sunshine Coast investor has bought the **7-Eleven Travel Centre** for **\$6.1 million**. The service station property includes tenants 7-Eleven, Beefy's Pies, Spinnaker Sound Chandlery and a car wash with leases ranging from 3 to 12 years with options. The **annual rent** on the property is **about \$520,000 with a yield of 8.5%**. The site located 60km north of the Brisbane CBD has a **GLA of 846 sqm** on a 7,006 sqm land.



## Leasing Activity

Preston Rowe Paterson Research recorded a number of leasing transactions that occurred in the Queensland Regional Market during the three months to September 2014;

## Retail

### 124 Eumundi Road, Noosaville QLD 4566

NZ's premium decorative paint company, Resene Paints, has secured a lease for a **502 sqm** retail shop on a 1,214 sqm site on a **\$93,000 pa gross rental**.



## 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 capital city and regional office locations we serve our client's needs throughout Australia. Globally, we operate directly or via our relationship offices for special purpose real estate asset classes, infrastructure and plant & machinery.

## 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 14, 347 Kent Street  
Sydney NSW 2000

PO BOX 4120, Sydney NSW 2001

P: 02 9292 7400

F: 02 9292 7404

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

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

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**Preston Rowe Paterson Australasia Pty Ltd**

**ACN: 060 005 807**

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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)

## Capital City Offices

Adelaide

Brisbane

Hobart

Melbourne

Sydney

## Regional Offices

Albury Wodonga

Ballarat

Bendigo

Cairns

Central Coast/Gosford

Geelong

Gold Coast

Gippsland

Griffith

Horsham

Mornington

Newcastle

Wagga Wagga

Warrnambool

## Relationship Offices

Canberra

Darwin

Perth

Other regional areas