



**Preston
Rowe
Paterson**

International
Property Consultants
and Valuers



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Transactions in Review

March 2021



ABOUT THIS REPORT

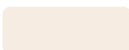
Preston Rowe Paterson prepare research reports covering the main markets within which we operate in each of our capital cities and major regional locations.

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

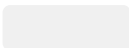
The markets covered in this research report include the commercial office market, industrial market, retail market, specialised property market, hotel and leisure market, residential market and significant property fund activities.

We regularly undertake valuations of commercial, retail, industrial, hotel and leisure, residential and special purpose properties for many varied reasons, as set out later herein.

We also provide property management services, asset and facilities management services for commercial, retail, industrial property as well as plant and machinery valuation.



Sales Transaction



Rental Transaction



Commercial

Office landlord *Cbus Property* has sold a \$375 million stake in a 29-level commercial office building in the Sydney CBD.

The 36.33% stake was acquired by Singaporean Investor *Mercatus* at a Cap Rate of 4.38%.

Retail

US investor *Invesco* has acquired a new Retail Shopping centre in Sydney's North for \$100 million.

HIGHLIGHTS

Industrial

Australian Unity's Diversified Property Fund has sold a 11.26 HA industrial block to *Dexus Australian Logistics Trust* in a deal worth \$85 million.



Commercial

226-232 Flinders Lane, Melbourne VIC 3000



\$40 million



\$6,101 psm gross lettable area

Swiss fund manager *Fidnam* has acquired a Melbourne office tower known as 'Invicta House' from *Swinburne University* in a **\$40 million deal**. The seven-storey building has 6,482 sqm of gross lettable area with 18.22 metre frontage to Flinders Lane. The sale price represents a **rate of \$6,171 psm of gross lettable area**.

(AFR 05.03.21)

1 Bligh Street, Sydney NSW 2000



\$375 million



5.4 years

Cbus property has sold their remaining 36.66% stake in a 29 storey office tower located in the Sydney CBD for **\$375 million**. At the time of sale 1 Bligh Street comprised an occupancy rate of 99.5% and a WALE of 5.4 years. Its major tenants include the Sydney office of the Prime Minister, Bloomberg Australia, Clayton Utz, and Oil Search. *Singaporean investor Mercatus* completed the transaction on a **4.38% capitalisation rate**.

(AFR 22.03.21)

310 Ann Street, Brisbane NSW 4000



\$210 million



5.5% Yield



\$11,437 per sqm lettable area

Cornerstone Properties has sold a 20 level office tower in the Brisbane CBD for **\$210 million**. *Cornerstone* had initially purchased 310 Ann St for \$63 million in 2021 and adopted the 'fix and flip' strategy to refurbish the tower to an A Grade standard. The property comprises a net lettable area of 18,362 sqm and a 5.5 NABERS Energy Rating. The deal was struck on an **initial yield of 5.5%** and rate of **\$11,437 per sqm of lettable area**.

(Property Markets.News 26/03.21)





Quad 2 & 3, 6 Parkview Drive Sydney Olympic Park NSW

- \$66.1 million
- 7.2% Yield
- \$6,689 psm sqm lettable area

Growthpoint has sold both Quad 2 and 3 A-Grade commercial buildings in Sydney Olympic Park to *EG* in a \$66.1 million deal. The decision by *Growthpoint* to divest the properties was initiated as the assets were no longer considered as defensive assets due to the relatively short WALE's. The property stands on a site spanning 1.42Ha and is inclusive of 9,882sqm of office space and 283 car spaces. The deal was as struck on a **rate of \$6,689 psm of lettable area.**
(Property Market.News 01.03.21)

3 Richardson Place, North Ryde NSW 2113

- \$115 million
- 6.75% Yield
- \$6,691 psm gross lettable area

Private Equity Company *Quintessential Equity* has acquired an office complex consisting of two six-storey A grade towers for \$115 million. The property has a net lettable area of 17,187 sqm currently occupied by tenants Pronto Software and The City of Ryde Council. The deal was struck on an **initial yield of 6.75%** and a **rate of \$6,691 per sqm of net lettable area.**
(Property Markets.News 25.03.21)

241 Adelaide Street Brisbane WA 6530




- \$63.5 million
- 2.5 Years
- \$6,302 psm sqm lettable area

Charter Hall and *Abacus* have acquired both the freehold and leasehold interests in a B grade office building from the Brisbane Club and Australian Unity Office fund respectively. The Brisbane Club Tower is a 10,075 sqm B grade office building which comprises of two levels of retail space, 19 levels of office space and four levels of basement carparking. The **\$63.5 million deal** was struck on a **rate of \$6,303 psm of net lettable area.**
(Property Market.News 12.03.21)






Retail

Warringah Road, Frenchs Forest NSW 2086

-  \$100 million
-  5.75% Yield
-  \$10,417 per sqm lettable area




The Forestway Shopping Centre located in Sydney's North has sold in a **\$100 million** deal between US investment giant *Invesco* and the private investment platform *Revelop*. Forestway comprises approximately 9,600sqm of retail and office space inclusive of two major supermarkets and numerous specialty stores. The property sold on a **rate of \$10,417 psm lettable area**. The transaction was completed on a **5.75% yield**.
(AFR 04.03.21)

1-7/25-27 South Steyne, Manly NSW 2000

-  \$15.7 million
-  4.66% Yield
-  \$36,259 per sqm lettable area




A *local family* has purchased a prime retail site in Manly via auction for **\$15.7 million**. The property comprises seven lots, which are leased to five retail stores. The store which are located directly across from Manly Beach occupy a net lettable area of 433sqm. Fully leased the retail strip generates a net income of **\$731,161 per annum**. The deal was struck on a **yield of 4.66%** and rate of **\$36,259 psm of lettable area**.
(AFR 15.03.21)

46 Queen Elizabeth Drive, Cooloola QLD 4580

-  \$18.66 million
-  5.85%
-  \$4,339 per sqm lettable area




SCA Property Group has purchased the Cooloola Cove Shopping Centre from *Altor Capital* in a **\$18.66 million deal**. The Centre is a modern single level neighbourhood shopping centre, with 4,300 sqm of lettable area and 233 car spaces. Woolworths is the anchor tenant alongside 10 other specialty stores. The deal was struck on a **yield of 5.85%** and **rate of \$4,339 per sqm lettable area**.
(Property Markets 26.03.21)

208 - 210 N W Coastal Highway Geraldton WA 6530

-  \$28.25 million
-  2.47 Years
-  \$601 psm gross lettable area

Harvey Norman Holdings has acquired a large format retail premises on 4.73 Ha site from *Sentinel Property Group*. The 15,948 sqm centre is leased to 12 national tenants and has a WALE of 2.47 years. Major tenants include McDonalds, Spotlight and Forty Winks. The **\$27.3 million** deal was struck on a **rate of \$601 psm of gross lettable area**.
(AFR 10.03.21)

25-29 Bellarine Highway, Newcomb VIC 3219

-  \$38 million
-  5.8% Yield
-  \$3,640 per sqm lettable area

For the second time in 3 years, the Bellarine Village Shopping Centre has sold, this time in a **\$38 million deal** to a *private investor*. The 10,439 sqm centre has been purchased on a passing **yield of 5.8%**. The Bellarine shopping precinct is anchored by Woolworths, Dan Murphys, Hungry Jack and has 15 Speciality Stores. The property was sold on a **rate of \$3,640 per sqm lettable area**.
(AFR 18.03.21)





Industrial

1050 Thompsons Road, Cranbourne West VIC 3977



\$6.18 million



\$32,356 per sqm lettable area

Thompson Gate is a mixed use site zoned Urban Growth Zone Schedule 1 (UGZ1) by Major Fuel Retailer United Petroleum Pty Ltd, in a **\$6.18 million deal**. The site area of the premises is 2,153m² comprising of office, retail and warehouse space with a Net Passing Income of \$300,000 p.a. The deal was struck on a **rate of \$32,356 psm of lettable area**.

(Real Commercial 26.03.21)



793 Taylors Road Dandenong South VIC 3175



\$60 Million



15,580 sqm site area

Efm Logistics, known as the largest fourth party logistics provider in Australia will centralise its operations from two other locations into a 15,580 sqm industrial space. The space comprises both warehouse and office accommodation along with 107 car spaces. The two warehouses are owned by Frasers Property Industrial and have a combined end value of approximately **\$60 million**. (AFR 03.03.21)

153 Main Beach Road, Pinkenba QLD 4008



\$24.75 million



5.3% Yield



\$698 per sqm lettable area

Irongate Group has purchased a warehouse in Pinkenba from *Gray's* in a **\$24.75 million sale and leaseback deal**. The property comprises 1,852 square metres of office and warehouse accommodation and 33,615sq m of hardstand used for vehicle storage. *Grays'* lease runs until March 2028 with fixed annual rental escalations of 3.5 per cent. The acquisition has increased *Irongate Group's* value and income by 32%. The deal was struck on a 5.3% yield and **rate of \$698 psm of lettable area**. (AFR 10.03.21)

278 Orchard Road, Richlands QLD 4077



\$85 million





\$4,722 per sqm lettable area

Australian Unity's Diversified Property Fund has sold a 18,00 sqm warehouse on a 11.26 Ha block to *Dexus Australian Logistics Trust*. The site can accommodate up to 18,000sqm of warehouse space. The sale of the property contributed to the increase in the WALE of the portfolio from 8.1 years to 8.3 years. The deal was struck on a **rate of \$4,722 per sqm of lettable area**. (Urban Developer 09.03.21)

Specialised Property

209 Cotham Road, Kew VIC 3101

 \$20 million

 \$8,909 psm site area


The former Cotham Private hospital has been sold for **\$20 Million** by Melbourne Developer *Hamton*. The site has been purchased by *Centuria Healthcare* who intend to develop in joint venture with *MediBank* a short stay private hospital valued at \$64 million. The 2,245 sqm corner site has 86m of frontage to both Cotham Road and Adeney Avenue. The deal was completed on a **rate of \$8,909 psm.**


(AFR 17.03.21)



Hotels & Leisure

2 Sands Boulevard Torquay VIC 3228

 \$12.8 million

 \$168 per sqm site area

The Torquay Golf Resort has been sold in a **\$12.8 million** deal between the appointed *Administrators of PFK* and a company owned by the previous exec. of Morgan Stanley; *James Dahan*. The resort was sold through expressions of interest campaign and is made up of a 18 hole golf course and 112 room hotel situated on 76 hectare site. The deal was completed on a **rate of \$168 psm of site area,**

(AFR 05.03.21)



Our Research

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

We have **property** covered.

We have **clients** covered

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

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

We have **real estate** covered

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

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

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

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

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

We have your **needs** covered

Our clients seek our property (real estate, infrastructure, asset, plant and machinery) services for a multitude of reasons, including:

- Acquisitions & Disposals
- Alternative use & highest and best use analysis
- Asset Management
- Asset Valuations for financial reporting to meet ASIC, AASB, IFRS & IVSC guidelines
- Compulsory acquisition and resumption
- Corporate merger & acquisition real estate due diligence
- Due Diligence management for acquisitions and sales
- Facilities management
- Feasibility studies
- Funds management advice & portfolio analysis
- Income & outgoings projections and analysis
- Insurance valuations (replacement & reinstatement costs)
- Leasing vacant space within managed properties
- Listed property trust & investment fund valuations & revaluations
- Litigation support
- Marketing & development strategies
- Mortgage valuations
- Property Management
- Property syndicate valuations & re-valuations
- Rating and taxing objections
- Receivership, Insolvency & liquidation valuations & support/advice
- Relocation advice, strategies and consultancy
- Rental assessments & determinations
- Sensitivity analysis
- Strategic property planning.

We have all **locations** covered

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



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Asia-Pacific Region

Associated office networks throughout:

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

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

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

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





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