

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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Sales

Commercial

100 Christie Street, St Leonards NSW 2065

SKM House has been acquired by Atlis Property Partners for **\$42 million** from Local Government Super. The building sold on a **yield of over 10.2%**. No further details were released.

[AFR 5/02/2013]

Atari House, Melbourne VIC 3004

An office building has sold for **\$13 million** from Denison Diversified Property Fund to Hallmarc. The building sold on a **passing yield of almost 8%**. With a floor area of 2,327 sqm the transaction shows a **rate per m2 of \$5,587**. The address of the property is 14 Queens Road, which is around 4 km south of the Melbourne CBD.

[AFR 6/2/2013]



9 Castlereagh Street, Sydney NSW 2000

An office building has sold for **\$172.5 million** from Stockland to Charter Hall Group's Core Plus Office Fund. The A-grade office tower has a floor area of 20,930 sqm, reflecting a **rate per m2 of \$8,242**. The tower sold with a WALE of 3 years. The sale comes as Stockland continues to focus on its triple R strategy. The purchase price is inclusive of \$4 million worth of incentives and income support.

[AFR 13/2/2013]

80 Clarence Street, Sydney NSW 2000

Aviva Investors Asia Pacific Property Fund (APPPF) has sold an office building for **\$31 million** to a private family. The 13 level building incorporates the facades of the former HWT House and Hogbin House buildings. With a floor area of 5,567 sqm, the transaction shows a **rate per m2 of \$5,569**. There is also one level of basement parking for eight cars.

[AFR 19/2/2013]



417 St Kilda Road, Melbourne VIC 3004

A start-up syndicator has purchased an office building for **\$81.3 million** from Challenger Life. Newmark Property Group acquired the property on a **passing yield of just over 9%**, with the tower including tenants such as the Red

Cross, Fluor and Oracle.

With a net lettable area of 20,440 sqm, the sale shows a **rate per m2 of \$3,977**. The St Kilda Road property spans a site area of 6,000 sqm, and is situated about 5 km south of the Melbourne CBD.

[AFR 21/2/2013]



465 Victoria Avenue, Chatswood NSW 2067

An A-grade commercial office building has been purchased by Hines Global REIT from FKP Property Group for **\$92 million**. The 15-level tower sold on a **passing yield of 7.79%**. The property has 14,400 sqm of floor space, showing a **rate per m2 of \$6,389**. Industry insiders have expressed that the disposal of the Chatswood asset is part of a strategy to simplify business for FKP. Chatswood is situated about 11 km north of the Sydney CBD.

[AFR 26/2/2013]

71 Moreland Street, Footscray VIC 3011

A local private investor has purchased an office building for **\$14.425 million** from Centuria's unlisted Office Fund 2. The property suffered little appreciation in value, changing hands back in 2003 for \$12.8 million. Footscray is located around 7 km west of the Melbourne CBD.

[AFR 28/2/2013]

Industrial

131 Mica Street, Carole Park QLD 4300

An A-grade industrial building has sold for **\$21 million** from Blackwoods to Dexu Property Group. The transaction was made on a sale and leaseback, with Blackwoods signing a lease for 15 years. The site spans 27,200 sqm of land with the property providing 13,316 sqm of floor area. The sale represents a **rate per m2 of \$1,577**. Carole Park is located about 25 km south west of the Brisbane CBD.

[AFR 21/2/2013]

7a Bessemer Street, Blacktown NSW 2148

An industrial property has sold for **\$11 million** to an international pharmaceutical company. The property comprises 11,926 sqm of warehouse and office accommodation, showing a **rate per m2 of \$922**. Blacktown is situated approximately 40 km west of the Sydney CBD.

[AFR 28/2/2013]

11 Dansu Court, Hallam VIC 3803

An industrial property has sold to Uni Properties for **\$5 million**. The property sold leased to Dayco Australia and



Hutchinson 3G Australia. The property development company purchased the property on a **yield of 9.25%**. With a floor area of 5,336 sqm, the transaction represents a **rate per m2 of \$937**. Hallam is located around 38 km south east of the Melbourne CBD.

[AFR 28/2/2013]

368 Newbridge Road, Moorebank NSW 2170

A factory has sold to D&B Spiteri Investments for **\$6.1 million**. The site spans 18,273 sqm and comprises 10,000 sqm of floor space. The property features 1600 amps power supply, sprinklers and concrete truck movement space. The sale reflects a **rate per m2 of \$610**. Moorebank is located approximately 32 km west of the Sydney CBD.

[AFR 28/2/2013]

Retail

Phoenix Shopping Centre, Spearwood WA 6163

Private group Volley Investments have sold a shopping centre for **\$75.8 million** to Singaporean company Rockworth Capital Partners. The centre is anchored by supermarket giants Woolworths and Coles. Situated at 254 Rockingham Road in Spearwood, the centre is located around 25 km south of the Perth CBD.

[AFR 8/02/2013]

Sub-regional Mall sales wrap, Australia wide

ISPT has acquired 50% interests in four shopping centres and a convenience centre for **\$371 million**. Industry experts have suggested that following the GFC, multiple good quality assets have been made available. All four shopping centres have dominant anchor tenants.

[AFR 13/02/2013]

Pinelands Shopping Centre, Sunnybank Hills QLD 4109

A shopping centre has sold for **\$27.95 million** from a syndicate managed by Federation Centres to an Asian investor. Selling on a **passing yield of 8.75%**, the centre has a lettable area of 5,897 sqm which displays a **rate per m2 of \$4,740**.

Industry insiders have expressed that private investors are amongst the main prospective purchasers dominating this section of the market. The site occupies an area of 18,270 sqm and is located on the corner of Pinelands and Beenleigh Road, which is about 15 km south of the Brisbane CBD.

[AFR 13/02/2013]

50% stake of Logan Hyperdome, Brisbane QLD 4129

A half stake in a major shopping centre has sold for **\$350 million** from John Longhurst to the Queensland Investment Corporation. The 82,500 sqm centre is now fully owned by QIC Global Real Estate. The sale reflects a **rate per m2 of \$8,485**. The centre is situated on the corner of Pacific Highway and Bryants Road, which is around 30 km south east of the Brisbane CBD.

[AFR 14/2/2013]

50% stake of Claremont Quarter Shopping Centre, WA 6010

The Queensland Investment Corporation has purchased another half stake in a shopping centre for **\$171.5 million**. The transaction follows QIC's acquisition of 50% of the Logan Hyperdome in Queensland. Brookfield Asset



Management sold Claremont Quarter, which has received a recent refurbishment, provides 29,007 sqm of floor space.

Spanning two levels, the modern centre is anchored by David Jones and Coles. In addition, the centre accommodates seven mini-majors and 109 specialty tenants. The transaction shows a **rate per m2 of \$11,825**. The shopping centre is located at 9 Bayview Terrace in Claremont, which is about 10 km south west of the Perth CBD.

[AFR 19/2/2013]

Belmont Central Shopping Centre, NSW 2280

A shopping centre has sold for **\$16.25 million** from Belmont Bowling Club Co-op to syndicator Primewest. The centre has a floor area of 6,500 sqm, displaying a **rate per m2 of \$2,500**.

Situated at Singleton Street in Belmont, the centre is the second retail acquisition Primewest has made in Belmont. There are about 23 specialty tenants and Woolworths. The shopping centre is located around 19 km south west of the Newcastle CBD.

[AFR 21/2/2013]

Kings Cross Centre, Potts Point NSW 2011

A private Chinese investor has snapped up a three-level retail complex in Kings Cross for **\$24 million**. The property, which is situated underneath the Coca-Cola sign, sold fully leased to 24 tenants on a **passing yield of 8%**.

Liquorland and Coles anchor the centre, with expiries dating to 2022. The property itself is yet to settle, when all vendors of the property sign off on the deal, including the Sydney Council. The site is located at 82-94 Darlinghurst Road, which is about 2 km east of the Sydney CBD.

[AFR 28/2/2013]

Home HQ, Ipswich QLD 4305

A retail bulky goods centre has sold for **\$23.5 million** from Charter Hall Group to Sentinel Property Group. The centre is anchored by Spotlight, IGA, Chemist Warehouse and Fantastic Furniture.

Experts within the industry have expressed that a combination of low debt, gearing and depreciation benefits have made centres such as Home HQ in Ipswich, very attractive. The centre has 26,760 sqm of floor space, showing a **rate per m² of \$878**. The bulky goods centre is situated at 339 Brisbane Street, which is about 40 km south west of the Brisbane CBD.

[AFR 28/2/2013]

Residential

Residential development site, St Kilda VIC 3182

A development site has sold for **nearly \$21 million** from accounting company Lowe Lippman to a local developer. The site sold with a permit for 272 residential apartments, reflecting a **rate per proposed room of nearly \$77,206**. No further details were released. St Kilda is located about 8 km south of the Melbourne CBD.

[AFR 21/2/2013]

Hezlett Road, Kellyville NSW 2155

A housing site has been acquired by Sunland Group for **\$17.85 million**. The site which spans a site area of 10.6 hectares, displays a **rate per m² of land area of \$168**.

The Gold Coast developer has the potential to develop 170 houses on the site, which indicates a **rate per potential allotment of \$105,000**. The property is situated about 40 km north west of the Sydney CBD.

[AFR 26/2/2013, Sunland Release]

100 Bennelong Parkway, Homebush NSW 2140

Meriton Group has acquired an industrial property for **\$25.4 million** from Centuria Property Funds. The property sold leased to Jemena Limited until the end of 2017. However, residential development company Meriton have the opportunity to transform the site into a residential development with over 300 apartments.

The site attracted high interest from Asian developers, with Meriton acquiring the site for nearly a 30% premium to the latest independent valuation. The transaction reflects a **rate per proposed room of over \$84,667**. Homebush is located about 16 km west of the Sydney CBD.

[AFR 28/2/2013]

Hotels and Leisure



250 Flinders Street, Melbourne VIC 3000

A backpackers business and freehold building has sold for **over \$6.6 million**. The floor area of the property is 2,141 sqm, showing a **rate per m² of over \$3,083**. Elephant Backpackers is situated opposite Flinders Street train station and has high pedestrian traffic. There are a total of 240 beds, representing a **rate per bed of over \$27,500**.

[AFR 7/2/2013]

Seaford Hotel and Bottle Shop, Seaford SA 5169

A South Australian hotel investor has purchased a hotel for **\$10.3 million** from the Independent Pub Group. The vendor will continue to lease the premises. The site spans a total area of 1.6 hectares and sold with development approval for a 1,100 sqm liquor barn. The property is located on Commercial Road in Seaford, which is about 36 km south of the Adelaide CBD.

[AFR 21/2/2013]

Special Purpose

763-779 Zillmere Road, Aspley QLD 4034

A caravan park has sold for **\$15.5 million** from Warren Wadley to Alceon



Queensland. The specialised asset sold on a **yield of around 9.4%**, with the new owners

planning to transform the property into a manufactured home park.

The property spans a site area of 4.89 hectares, displaying a **rate per m2 of land area of \$317**. The caravan park forms part of the Gateway Lifestyle Residential Parks. The property features a community centre, outdoor BBQ areas, a swimming pool and 24 hour on-site security. Aspley is situated around 17 km north of the Brisbane CBD.

[AFR 7/2/2013]

Millennium Cinema & Retail Complex, Fremantle WA 6160

A Hoyts tenanted cinema has sold for **\$9.6 million** from Denison Funds Management. The property is located at 27 Collie Street which is about 20 km south west of the Perth CBD.



The complex also has four specialty tenants. The floor area is 3,498 sqm, displaying a **rate per m2 of \$2,744**. The property also includes 32 car spaces. The sale proceeds will be put towards paying off debt. Fremantle is located about 20 km south west of the Perth CBD.

[AFR 14/2/2013]

Capital Raisings

\$100 million capital raising

A **\$100 million capital raising** will soon be introduced by Japara Aged Care Property Trust. The company, which invests in freehold properties specialising in retirement living, currently has over 25 freehold aged care facilities. Seeing growth in the sector, they have plans on targetting superannuation funds and institutional investors for capital.

[AFR 6/2/2013]

Leasing

Commercial

400 Queen Street, Melbourne VIC 3000

Kim Lim Australia has leased space to Complex Training Academy for a **term five years** for 2,000 sqm of office space. The new tenant has agreed to pay \$480,000 net p.a. reflecting a **rate per m2 of \$240 net**.

[AFR 5/2/2013]

290 Burwood Road, Hawthorn VIC 3122

Bennelong Management has leased 1,046 sqm of office space to Holcim Australia for a **term of seven years**. The concrete products supplier will pay a **rate per m2 of \$355**, showing an annual rental of \$371,330. Hawthorn is situated approximately 7 km east of the Melbourne CBD.

[AFR 5/2/2013]



16 Lakeside Drive, Burwood East VIC 3151

Whirlpool has secured 1,200 sqm of office space within the Tally Ho Business Park in Victoria for \$426,000 p.a. gross. The transaction shows a **rate per m2 of \$355 gross**. The Tally Ho Business Park is located around 21 km east of the Melbourne CBD.

[AFR 5/2/2013]

35 Sterling Road, Minchinbury NSW 2770

A lease for refurbished office space has been agreed to by Australian Outdoor Living for a **term of three years**. The new tenants will lease 1,050 sqm of space, agreeing to a **rate per m2 of \$120**. The lease also includes an **option of three years**. The rental is equivalent to \$126,000 p.a. Minchinbury is located around 40 km west of the Sydney CBD.

[AFR 12/2/2013]

Level 4, 70 Riley Street, Darlinghurst NSW 2010

George P Johnson has leased a whole level of office space for \$370,760 p.a. The marketing company will lease 1,196 sqm of floor space for a **term of five years with a five year option**. The transaction shows a **rate per m2 of \$310 (which is inclusive of the terrace area)**. Darlinghurst is located about 2 km south east of the Sydney CBD.

[AFR 19/2/2013]

Building A, Rhodes Corporate Park NSW 2138

Australand Wholesale Property Fund No. 6 has leased space to Link Market Services. The tenant is extending their original lease, to continue occupying 12,300 sqm for a **rate per m2 of \$350 net**.



The Corporate Park itself features a gymnasium, a lap pool, childcare services, cafes and dry cleaning facilities.

The property is located at 1 Homebush Bay Drive in Rhodes, which is

about 16 km west of the Sydney CBD.
[AFR 28/2/2013]

Industrial

356 Chisholm Road, Auburn NSW 2144

An industrial property has been leased by Emerson Climate Technologies for a **term of five years**. The new tenant will lease 2,744 sqm of space for \$329,280 net p.a. showing **rate per m2 of \$120 net**. The lessor of the property is GJS Property. Auburn is situated around 24 km west of the Sydney CBD.
[AFR 5/2/2013]

Industrial property, Regency Park SA 5010

A fully fenced industrial property has been leased by Transpacific Industries Group for a **term of five years**. Lessor, Maxiplus Pty Ltd leased the space for \$140,000 p.a. gross for 1,746 sqm of warehouse and office space.

The total area component is made up of 80% warehouse space and 20% office space. The deal reflects a **rate per m2 of \$80**. Regency Park is located about 10 km north of the Adelaide CBD.
[AFR 5/2/2013]

23-25 Christine Avenue, Miami QLD 4220

A **three year lease** has been signed by UGG to occupy showroom and warehouse accommodation. The lease also includes **two three year options**. The new tenants will lease 1,160 sqm of floor space for \$120,000 p.a. reflecting a **rate per m2 of \$103**. Miami is situated around 13 km south of the Gold Coast CBD.
[AFR 12/2/2013]

Industrial site, Kewdale WA 6105

Industrial hardstand space has been secured by Thermocon Insulation for a **term of five years**. The lessee will lease 1,400 sqm of hardstand on a site spanning an area of 2,676 sqm.

Thermocon have agreed to pay a **rate per m2 of hardstand area of \$100**, showing an annual rental of \$140,000. Kewdale is about 10 km east of the Perth CBD.
[AFR 12/2/2013]

Industrial property, Silverwater 2128

Office and warehouse accommodation has been leased for **six years** by Downer EDI. The new tenants will pay **rate per m2 of \$161 net** which shows \$386,239 p.a. The lessor, Dexu Property Group will lease 2,399 sqm of floor

space to the new tenant. Silverwater is around 20 km west from the Sydney CBD.
[AFR 19/2/2013]

Industrial property, Alexandria NSW 2015

A freestanding office and warehouse property has been leased to Deco Rug for a **term of five years** with a **five year option**. The new tenant will lease 2,141 sqm of floor space for \$383,239 p.a. which reflects a **rate per m2 of \$179**. The lessor of the property is Australis Music.
[AFR 19/2/2013]



511 Victoria Street, Wetherill Park NSW 2164

A **five year lease** with a **five year option** has been agreed to by Sydney Steel Refurbishing. The new

tenant will pay \$291,795 p.a. showing a **rate per m2 of \$105**. The industrial property has a floor area of 2,779 sqm. Wetherill Park is located 37 km west of the Sydney CBD.
[AFR 26/2/2013]

40 Norman Street, Peakhurst NSW 2210

Waste manager Otto Environmental Systems has agreed to lease an industrial property for a **term of three years** from lessor Tahloona Pty Ltd. The new tenant will lease 1,358 sqm of warehouse accommodation and 177 sqm of office accommodation, totalling 1,535 sqm of industrial space. The rent has been struck at \$118,000 gross p.a. which displays a **rate per m2 of \$77**. Peakhurst is situated approximately 26 km south west of the Sydney CBD.
[AFR 26/2/2013]



145-147 Archerfield Road, Richlands QLD 4077

A **five year lease** with a **five year option** has been agreed to by Global Metals for industrial space. The metals supplier will pay a **rate per m2 of \$100** for 4,400 sqm of floor space. The new tenant will lease the space from Sentinel Property Group. The annual rental is equivalent to \$484,000 p.a. Richlands is located about 18 km south of the Brisbane CBD.
[AFR 26/2/2013]

Our Research

At Preston Rowe Paterson, we pride ourselves on the research which we prepare in the market sectors within which we operate. These include Commercial, Retail, Industrial, Hotel & Leisure and Residential.

Our Corporate Property Services

- 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

Types of Real Property

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.
- Extractive industries, landfills and resource based enterprises

Types of Plant & Machinery

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
- Hotel furniture, fittings & equipment

Our Clients

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 company corporations
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- Local, State and Federal Government Departments and Agencies
- Mining companies
- Mortgage trusts
- Overseas clients
- Private investors
- Property Syndication Managers
- Rural landholders
- Solicitors and barristers
- Stock brokers
- Trustee and Custodial companies



**We are
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