



**Preston**  
*Rowe*  
Paterson

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International 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, specialized 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.

## FEBRUARY 2015

### Inside this Issue

#### Sales

- Commercial Page 2
- Industrial Page 3
- Retail Page 3
- Residential Page 4
- Rural Page 4
- Specialized Property Page 4
- Hotel & Leisure Page 5

#### Leasing

- Commercial Page 5
- Industrial Page 6

**Capital Raisings** Page 7

**Property Funds** Page 7

**About Preston Rowe Paterson** Page 9

**Contact Us** Page 11



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## Sales

### Commercial

#### 68 Chandos Street, St Leonards NSW 2065

A private developer has purchased a two storey building from Primecorp Investments for **\$5.2 million**. The property is located within 150m from the St Leonards train station is occupied by Fairfax Media. The site has the potential to redevelop into a residential and retail development. St Leonards is 5km north-west of the Sydney CBD.  
[The AU 02/02/2015]

#### 90 Phillip Street, Parramatta, NSW 2150



A 4-level tenanted office building, owned by a private investor, has been sold for **\$16.75 million**. The property has a net lettable area of 2,944 m<sup>2</sup> and brings in more than \$1 million in rent annually, reflecting a **rate per m<sup>2</sup> of \$5,689.54**. Parramatta is located around 36km North-West of the Sydney CBD.  
[AFR 03/02/2015]

#### 59 Albany Highway, Victoria Park, WA 6100

A Singapore-based buyer has purchased the **Gateway Building** in Victoria Park for **\$72.8 million**. The seven-level, A Grade office tower was sold by listed Perth developer Finbar. It has a net lettable area of 12,800 m<sup>2</sup>, reflecting a **rate of \$5,687.50 psm**. The property is leased to ASX-listed engineering firm Monadelphous Group until 2022. The office property brings in a return of \$6.1 million in annual net income, which represents a **yield of 8%**. Finbar realized about \$20 million in cash from the sale after the repayment of the building's finance facility and minority joint-venture interests. Victoria Park is located approximately 5km east of the Perth CBD.  
[The AU 05/02/2015]

#### 92 Pitt Street, Sydney, NSW 2000

A syndicate of private investors has purchased a 13 level commercial building along Pitt Street, in Sydney's CBD. The property was sold for **\$30.7 million** on a **passing yield of 7.3%**. The building comprises a retail space of the ground floor and basement levels with a weighted average lease expiry of 2.3 years by income.  
[AFR 03/02/2015]

#### 6a Hunteley Street, Alexandria, NSW 2015

The **Woolstores** heritage office complex dating back to World War II has sold to fund manager CorVal for **\$51.7 million** on a **net yield of 7.55%**. Vendors Trumen Corp and Bricktop Group have converted the property into a creative 9,956 m<sup>2</sup> office complex. The sale reflects a **rate of \$5192.85 psm**. Alexandria is located around 3.3 km south-west of Sydney's CBD.  
[AFR 04/02/2015]

#### 363 Adelaide Street Tower, Brisbane, QLD 4000



The former Boeing Defence Australia headquarters has been sold by Investa to US private equity group Valparaiso Capital Partners for about **\$50 million**. Boeing decided not to renew its lease in 2014, leaving the building empty in a market where vacancy is now at 15.6%. Valparaiso will likely convert the office building into a student accommodation with

up to 1000 beds. The sale price achieved ranged between **\$3,200 to \$3,300 psm** and will now act as a key indicator for future transactions where conversions are considered.  
[AFR 05/02/2015]

#### 15 Bourke Road, Mascot NSW 2020

Capital Corporation has sold the 7 level office building to CR Kennedy for **\$35 million**. The 8,832 m<sup>2</sup> office building is fully leased, and CR Kennedy will occupy an office space of 1,600 m<sup>2</sup> that is due to be vacated. Mascot is 7km south of Sydney.  
[AFR 10/02/2015]

#### 301 Burwood Highway, Burwood VIC 3125

A private investor has purchased the **Greenwood Business Park** for **\$70 million**. The business park comprises of 20,000 m<sup>2</sup> office space and has the approval to develop another office building. The business park was sold on a **yield of 9.28%**. Burwood is 7km east of the Melbourne CBD.  
[AFR 10/02/2015]

#### 424 St Kilda Road, Melbourne VIC 3000

The **Illoura Plaza** has been purchased by Dongguan Huajian Property Investment for **\$45 million**. The 6 storey property is a mixed office and retail complex.  
[AFR 16/02/2015]

#### 130 Elizabeth Street, Sydney NSW 2000

Chinese developer, Ecove, has purchased the 38-level office building from superannuation fund Cbus Property for **\$120 million**. The property overlooks Hyde Park and has development approval for a residential conversion into a 38 storey apartment tower with 148 apartments.  
[The AU 19/02/2015]

#### Captain Cook Highway, Cairns, QLD 4870

A private investor from Melbourne has acquired the **Australian Federal Police Building** for **\$13.1 million** at an auction. The building houses the



Commonwealth government Border Protection. The Australian government will lease the property for 15 years, **yielding 6.5%** at a rent of \$850,000 a year. Cairns is located around 350km north-west of Townsville.  
[AFR 19/02/2015]

#### 300 Adelaide Street, Brisbane, QLD 4000

Lei Shing Hong, one of the biggest distributors of Porche and Mercedes Benz throughout Asia, has purchased an ageing A-grade office tower for **\$50 million**. The 13,140 m<sup>2</sup> tower is approximately one quarter vacant and has a **rate of around \$3,805.19 psm**. There are 21 tenants in the building, including Caterpillar Australia, Cisco Systems and Slater and Gordon.  
[AFR 24/02/2015]

#### 295 Springvale Road, Glen Waverley VIC 3150

Australian financial services company, IOOF Holdings, has acquired a 5,200 m<sup>2</sup> office building for **\$22 million**. The 5 level building was sold on an approximate **yield of 7%**. Glen Waverley is about 16km south-east of the Melbourne CBD.  
[AFR 26/02/2015]

## Industrial

### 775-781 Victoria Street, Wetherill Park, NSW 2164

A private investor has paid **\$6.8 million** for an industrial site in the Sydney suburb of Wetherill Park from GHJC. The 5,472 m2 property sits on a 12,830 m2 site. This reflects a **rate of \$530.01 psm**. The site has parking for 35 vehicles and several warehouses. Wetherill Park is located approximately 37km south-west of the Sydney CBD.

[AFR 05/02/2015]

### 113 Woodpark Road, Smithfield NSW 2164

Powerlink Investment has acquired a 15,970 m2 industrial site for **\$4.1 million** from a private investor. The 4,197 m2 property has multiple tenants returning a rent of \$400,967 per annum.

[AU 05/02/2015]



### Australian Industrial Sales Wrap

McPhee Distribution Services has sold three logistics assets across the eastern seaboard to Singaporean real estate trust Cache Logistics Trust for around **\$70 million**. The three properties have been acquired on a blended **yield of 7.23%**. The total site area is 100,290 m2, reflecting a **rate of \$697.98 psm**. 127 Orchard Road in NSW's Chester Hill sold for \$37 million, a facility at Transport Drive in Victoria's Somerton sold for \$22.3 million and 51 Musgrave Road in Coopers Plains, Queensland sold for \$10.7 million. McPhee, Linfox Australia and Stirling Holdings will fully lease the three distribution warehouses, with fixed annual rent increases. Chester Hill is located around 23km west of Sydney's CBD, Somerton is 23km north of Melbourne's CBD and Coopers Plains is located around 13km north-west of Brisbane's CBD.

[AFR 10/02/2015]

### Governor Macquarie Drive, Warwick Farm NSW 2170

Stockland has purchased an industrial site from the Australian Turf Club for **\$17.2 million**. Stockland acquired the 11.5 ha industrial zoned greenfield with the intention of developing an industrial warehouse estate.

[The AU 11/02/2015]

### Botany NSW 2019

Stockland has purchased an industrial facility for **\$20.3 million on a 7.6% yield**. The facility comprises of 7,900 m2 warehouse and 1,650 m2 office space on a 1.5 ha site.

[The AU 11/02/2015]

### 72-76 Cherry Lane, Laverton North VIC 3026

Stockland has purchased a 9.8 ha industrial facility from the logistics company Toll Group for **\$29 million** on an **initial yield of 7.8%**. The facility features a 20,500 m2 warehouse area and about 4.5 ha of hardstand area.

[The AU 11/02/2015]

### Canterbury Road, Braeside, VIC 3195

A Melbourne developer has purchased a 23.29 ha industrial subdivision for **\$6.5 million**. This sale reflects a **rate of \$279.09 psm**. The block is close to EastLink and the surrounding bayside suburbs. Braeside is around 44km south-east of the Melbourne CBD. No further details were released.

[AFR 12/02/2015]

### Princess Highway, Dandenong South, VIC 3164

In an off-market deal, Perth-based investment company and syndicator Warrington Property has acquired three warehouses on the former Holden manufacturing estate from Cbus Property for **\$39.3 million**. The three modern industrial facilities measure 27,919 m2, reflecting a **rate of \$1,407.64 psm**. The facilities are leased to automotive parts group GPI, transport company CEVA and Australia Meat Holdings and bring in a total net income of about \$6.7 million – a **yield of 7.7%**. Dandenong South is located 40km south-east of the Melbourne CBD.

[AFR 18/02/2015]

### 41-43 Amsterdam Circuit, Wyong, NSW 2259

An industrial property has sold for **\$7.87 million** to a fast-food facility. The freehold property is 10,431 m2, reflecting a **rate of \$754.48 psm**. Wyong is located about 93km north-east of the Sydney CBD.

[AFR 19/02/2015]

### 74 McCoy Street, Myaree, WA 6154

A Perth investor has purchased a laboratory and diagnostics facility from Ascot Capital Limited for **\$11.5 million**. The 9802 m2 facility reflects a **rate of \$1,173.23 psm**. Western Diagnostics Services, a division of Primary Health Care, is occupying the facility for another six years. The property has a **yield of 6.25%**. Myaree is located about 13km south-west of the Perth CBD.

[AFR 26/02/2015]



## Retail

### 750 Princes Highway, Tempe NSW 2044

Bunnings Warehouse has acquired a 13,000 m2 bulky goods centre for **\$22 million**. The property sits on a 2ha site and Bunnings plans to develop the centre into a multi-level store on the site.

[The AU 11/02/2015]



### 3 Montpelier Road, Bowen Hills QLD 4006

A Northern Territory based investor has purchased a two storey office and retail building in the **Brisbane's Gasworks Precinct** for **\$13.5 million**. The 3,393 m2 property is leased to businesses including Elevation Architects and Dune Outdoors Luxuries. The property sits on a 5,141 m2 site.

[The AU 18/02/2015]

### Wright Street, Banksmeadow NSW 2292

Hardware retailer, Masters, has acquired an industrial site from Orica for **\$25 million**. Masters plans to build a large store on the 23,000m2 site.

[AFR 12/02/2015]

**31-43 Puckle Street, Moonee Ponds VIC 3039**

A Melbourne based private investor has purchased a retail property for **\$8.3 million** on a tight yield of **3.9%**. The 1,202 m2 property features a retail arcade with 14 ground floor shops and a gym. The 1,900 m2 site has the potential for development.  
[The AU 25/02/2015]

**20 Strelitzia Avenue, Forreestfield WA 6058**

Hawaiian, a Perth-based property group, has bought the Forreestfield Marketplace and Forum for around **\$40 million**. Hawaiian is likely to upgrade or look to expand the shopping centre. Forreestfield is located around 21km south-west of the Perth CBD.  
[AFR 26/02/2015]



**Residential**

**25 Donkin Street, West End, QLD 4000**

Hong Kong-listed property giant R&F Properties and Pointcorp have agreed to a deal for a 16,800 m2 Brisbane riverfront site for more than **\$80 million**. This reflects a rate of **\$4,761.90 psm**. The property has been sold for more than four times what it was bought for 18 months ago. The purchase is believed to be conditional on the vendor, Pointcorp, receiving developmental approval. No further details were released.  
[AFR 17/02/2015]

**La Coulson Street, Erskineville, NSW 2043**

A residential development site on Sydney's fringe has been sold to Abacus Property Group and Linear Property for **\$32.55 million**. The 13,730 m2 property reflects a rate of **\$2,370.72 psm**. Although the property does not have development approval, the proposed development on the site could yield up to 180 units. Erskineville is located just 4km south-east of the Sydney CBD.  
[AFR 18/02/2015]

**420 Spencer Street, West Melbourne, VIC 3003**

Vicland Corporation has bought a 2250 m2 corner site for **\$29 million**. This reflects a rate of **\$12,888.88 psm**. The site has approved plans and permits for a 38-level resident apartment tower with 438 apartments. West Melbourne is located 2km north-west of the Melbourne CBD.  
[AFR 19/02/2015]



**ACT Residential Sales Wrap**

An Auction in Canberra suburb Coombs has seen three development sites sold. Canberra Estates Consortium No. 50 bought a 1.49 ha site for **\$7.25 million** which could yield up to 133 dwellings. This reflects a rate of **\$486.58 psm**. BGC Nominees paid **\$6.9 million** for a 1.31 ha site that could contain up to 131 dwellings. This reflects a rate of **\$526.72 psm**. Lastly, Lomm purchased a 1.16 ha site for **\$6.4 million** which will have up to 116 dwellings. This reflects a rate of **\$551.72 psm**. The sites are located about 10km south-west of the Canberra CBD.  
[AFR 19/02/2015]

**Boundary Road, Thornlands QLD 4164**

Villa World has acquired a 7ha residential site on the south east fringe of Brisbane for **\$10.5 million**. Villa World plans to divide the site into 86 residential lots.  
[The AU 24/02/2015]

**Rural**

**Australian Rural Sales Wrap**

Hong Kong listed group CK Life Sciences has agreed to a sale and lease back arrangement for one of Australia's oldest winemakers. The McWilliam family has sold the three vineyards for **\$15.7 million**. The vineyards apart of this transaction include the **Hanwood Vineyard** in Griffith, NSW and the **Station and Kirkgate**



**Vineyards** in Coonawarra, South Australia. The vineyards comprise 700 ha of land and 650 ha of planted vines, reflecting a rate of **\$22,428.57 per ha**. CK Life Sciences now own six vineyards in Australia, taking its portfolio to 8700 ha. The Hanwood Vineyard is located around 189km north-west of Wagga Wagga, while the in Coonawarra properties are is 373km south-east of the Adelaide CBD and 66km north-east of Mount Gambier.  
[AFR 02/02/2015]

**Queensland Rural Sales Wrap**

Hailiang Group, one of China's top 500 companies, has purchased about 50,000 ha of cattle and cropping land east of St George in southern Queensland for more than **\$40 million**. The 34,000 ha **Hollymount** station owned by Traikant is to be bought for about \$31.5 million, while the neighbouring station **Mount Driven**, is to be purchased for more than \$10 million. St George is located about 387km south-east of Toowoomba, Queensland.  
[AFR 16/02/2015]

**Specialized Properties**

**Warrego Highway, Bundamba QLD 4304**

The site located within Walker Corporation's **Citiswitch Industrial Estate** was sold to Synergy Property Partners for **\$15 million**. The property sits on a 1.5 ha site and has a development approval for a construction of a Citiswitch Travel Centre, Puma Energy fuel station and an Oporto restaurant. A further four retail tenancies will be available, ranging from 50 to 140 m2. The business park houses national tenants including Masters, OneSteel, The Reject Shop and Caltex. Construction is planned to commence in April 2015 and finish in December 2015.  
[AFR 24/02/2015]

## Hotel & Leisure

### 26 Josephine Street, Riverwood, NSW, 2210

Hotel group Iris Capital has purchased the **Napoleon's Hotel** at Riverwood in Sydney's south for about **\$14 million**. This purchase, along with others is likely to be developed into a block of apartments. Riverwood is located approximately 26km south-west of the Sydney CBD.

[The AU 05/02/2015]

### Vintage Drive, Rothbury NSW 2320

Sunshine Insurance Group has purchased the **Chateau Elan Hotel and The Vintage Golf Club** from Don Panoz for **\$40 million**. The Chateau



Elan Hotel comprises of 100 suites with 17 room spa facilities, The Vintage Golf Club is a Greg Norman-designed 18-hole championship golf course and several hectares of undeveloped land. Sunshine plans to develop a \$100 million 6 star resort featuring 300 rooms and a second championship golf course.

[The AU 11/02/2015]

### 11 Ivory Lane, Brisbane QLD 4000

A Singaporean investor has purchased the **Adina Apartment Hotel** for **\$50 million**. The 4 star serviced apartment comprise of 162 apartments on a 3,000 m2 site.

[The AU 12/02/2015]

### Sydney Hotel Sales Wrap

Pub owner and operator Redscape Hotel Group has purchased two Sydney pubs for a total of **\$35 million**. Redscape has acquired **The Landmark Hotel** in Eastwood for \$25 million and the **Eastern Creek Hotel** in Blacktown for just over \$10 million. Eastwood is located around 17km north-west of the Sydney CBD and Blacktown is located about 55km north-west of the Sydney CBD.

[The AU 12/02/2015]

### Australian Serviced Apartment Sales Wrap

Local investor groups have picked up two regional properties from Australia's biggest serviced apartment



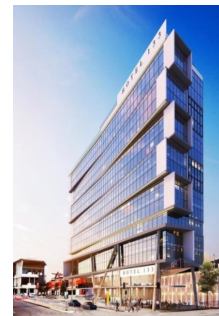
operator Quest, for **\$26 million**. Crowe Horwath, one of Australia's largest accounting and financial advisory firms, purchased the **Quest Dubbo** property in regional NSW for **\$14.7 million** from a syndicate of local investors. A private, local investor bought the **Quest Shepparton** property for **\$11.8 million**. Both were done on **yields 'in the low eights'**. Dubbo is located 390km north-west of Sydney's CBD, while Shepparton is located 189km north-east of Melbourne's CBD.

[AFR 19/02/2015]

### 133 Grey Street, Southbank QLD 4101

Doma Group has acquired a 1,600 m2 development site for **\$17 million**. Doma intends to build a 160-room hotel on the site. The site is located adjacent to the Brisbane Convention Centre, the South Brisbane Railway Station with direct linkages to the airport and the Gold Coast. The new hotel will be within walking distance to the Brisbane CBD, Casino and Queen Street Shopping.

[AFR 25/02/2015]



### 4 The River Road, Revesby NSW 2212

The **Crown Hotel** Revesby has been purchased by Redcape Hotel Group for approximately **\$30 million**. The pub features 2 bars, a bistro and a beer garden.

[The AU 26/02/2015]

## Leasing

### Commercial

### Tower 2 Brookfield Place, Perth, WA 6000

Leading international law firm Ashurst has finalised a **12-year lease** with Brookfield Property Partners to inhabit the new Brookfield Place Tower in the Perth CBD. Ashurst will occupy 3,600 m2 of the 16 level building. Current tenants include, Deloitte, Corrs Chambers Westgarth and Brookfield Multiplex.

[AFR 04/02/2015]

### 37-145 Rooks Road, Nunawading, VIC 3131

A 1412 m2 office and in Victoria has been leased by telecommunications services group Kordia Solutions on a 5-year term. Kordia will pay **annual rent of \$195,600 or \$139 psm**. Nunawading is located around 25km west of Melbourne's CBD.

[AFR 05/02/2015]

### 442 North Road, Ormond, VIC 3204

A lease agreement for an office building has been made between a private landlord and Orthodox Jewish primary school Beis Efraim College. Beis Efraim College has leased the 1559 m2 office for **5 years** and will pay a net annual rent of about **\$215 to \$245 psm**. The property which was purpose-built for Commonwealth Bank in the late 1980s has been vacant for 7 years. Ormond is located about 15km south-east of the Melbourne CBD.

[AFR 24/02/2015]

### 600 Victoria Street, Richmond, VIC 3121

Ford of Australia has leased a 2100 m2 office space from Sam Tarascio's Salta Properties on a **10 year deal**. Ford will pay a **net rent of about \$350 psm** and will take up almost a third of the 7000 m2 commercial building. Richmond is located around 5km east of Melbourne's CBD. [AFR 24/02/2015]

**505 Little Collins Street,  
Melbourne, VIC 3000**

Education provider Study Group has snapped up office space from a real estate fund of Credit Suisse AG in the heart of the CBD. The deal comes at a time when international student demand is helping to improve the local economy. Study Group will inhabit 6700 m2 of the office tower on a **9 and a half year lease**. The deal is likely to be for **\$300 psm net annual** rent and involved the complex moving of other tenants, in the building, for Study Group to take up four floors. [AFR 25/02/2015]



**Industrial**

**8 Saintry Drive, Truganina, VIC 3029**

Logistics and warehousing company Fastline International has committed to a \$1 million a year leasing deal in the newly built facility in the **Westpark Industrial Estate**. It is likely that Fastline will pay about **\$75 psm on a 12 year term** for the 14,000 m2 warehouse. This deal is part of Fastline's continuing expansion with the company leasing more than 60,000 m2 in the past two years. The 290 ha industrial estate's tenants include, Australia Post, Catch of the Day and Mitre 10. The western precinct has continued to see a tightening in the vacancy rate in recent months with a 6% reduction over the past six months. Australand's Westpark Industrial Estate is located within 30km south-west to the Melbourne city centre. [AFR 04/02/2015]

**56 Main Beach Road, Pinkenba, QLD 4008**

Logistics Company CEVA has agreed to a **10-year lease** with Australand for between \$1.3 million and \$1.5 million a year. The development site is 30,000 m2 and CEVA plan on building a new 8000 m2 facility, comprising a warehouse and office on the site. The lease reflects a **rate of \$43.33 to \$50 psm**. Pinkenba is located 7km south of Brisbane Airport. [AFR 10/02/2015]

**21 Cox Place, Glendenning, NSW 2761**

GNS Ceramics has leased an industrial facility to equipment hire and sales firm Onsite Rentals, to accommodate its Western Sydney operations. The 27,400 m2 property comprises a 6551 m2 warehouse, offices and an ancillary building featuring a high-clearance covered storage area. Onsite Rentals will pay an annual net rent of \$700,000, reflecting a **rate of \$25.55 psm**. Glendenning is located nearly 50km north-west of Sydney. [AFR 10/02/2015]

**400 City Road, Southbank, VIC 3006**

A \$1 million-a-year leasing deal has been made between Christian megachurch and music group Planetshakers for an office and warehouse property in Melbourne's Southbank. Planetshakers has leased almost 9000 m2 of space at 400 City Road from Indian-based landlord DEC on an initial **five-year** deal. This lease reflects a **rate of \$111.11 psm**. The premises will be used as a head office incorporating an auditorium, recording studio, school, play centre and café. The property consists of a refurbished four-level office warehouse with on-site car parking and three street frontages. Southbank is located 1km south-west of the Melbourne CBD. [AFR 10/02/2015]

**191 Miller Road, Chester Hill, NSW 2162**

GQM Logistics has leased a 2783 m2 industrial property in Sydney's southwest at a gross annual rental of \$325,000. The lease reflects a **rate of \$116.78 psm**. The **3-year** lease is for an office and warehouse space on a yard area of 2,000 m2. Chester Hill is located around 23km west of the Sydney CBD. [The AU 12/02/2015]

**8 Austool Place, Ingleburn, NSW 2565**

Rio Developments has leased an industrial property at a net annual rental of \$309,000 to infrastructure and asphalt company, Roadworx. The 2605 m2 property includes a high clearance warehouse and office, reflecting a **rate of \$119 psm**. The **term of the lease is 6 years**. Ingleburn is located about 50km south-west of the Sydney CBD. [The AU 12/02/2015]

**29A Davis Road, Wetherill Park, NSW 2164**

Manufacturing firm, A&J Packaging, has leased a 9824 m2 industrial property from Lend Lease on a **12 year deal**. The manufacturing facility features a refurbished office space, internal clearances of up to 8.5 metres, and a high power supply. The **annual net rent is \$75 psm** plus GST. Wetherill Park is situated about 34km north-west of the Sydney CBD. [AFR 17/02/2015]

**11 Columbia Way, Baulkham Hills, NSW 1755**

Safety products manufacturer, MSA Safety, has leased a 1433 m2 office and warehouse facility on a **5 year term**. The property contains an 888 m2 warehouse and a 545 m2 office. MSA will pay an annual rent of **\$425 psm** for both the warehouse and office space. Baulkham Hills is located around 31km north-west of Sydney's CBD. [AFR 17/02/2015]

**49 Calarco Drive, Derrimut, VIC 3030**

Umicore, a materials manufacturer, and Blackwood Downs have agreed to a **3 year leasing deal** that will allow Umicore to relocate its operations from Tottenham to take advance of superior freeway infrastructure in Derrimut. The site will be used for manufacturing, storing and distributing zinc and Umicore will pay a gross annual **rent of \$75 psm**. Derrimut is located about 23km north-west of the Melbourne CBD. [AFR 17/02/2015]



**18-34 Aylesbury Drive, Altona North, VIC 3025**

Australia's biggest vacuum and cleaning retailer, Godfreys, has leased a new warehouse for \$1 million-a-year from Australand. The 12,370 m2 facility reflects a **rate of \$80.84 psm**. The deal is for a **10 year lease** plus options. Godfreys will relocate from its recently rezoned premises in Port Melbourne when the building has finished construction later this month. Altona North is located 14km south-west of the Melbourne CBD. [AFR 17/02/2015]

### Capital Raisings

#### **\$40 million Capital Raising – Charter Hall Group**

The sale of an office building in the Brisbane CBD has helped raise **Charter Hall Group's** unlisted office fund by **\$40 million**. The \$514m Charter Hall Direct Office Fund (DOF) told investors in its latest report that the group sold the building at 300 Adelaide Street. The buyer of the Brisbane building that sold for about \$50m was a Singaporean company advised by the Hong Kong-based PH Capital. [The AU 12/02/2015]

### Property Funds

#### **Walker Corporation and Leighton Properties**

Lang Walker of the **Walker Corporation** is in due diligence on **Leighton Properties'** development business. The sale came about after separate negotiations with Stockland and Singapore-based City Developments had collapsed last year. Walker is looking to secure some of the prize projects left in the Leighton pipeline. [5/02/2015]

#### **Stockland pushed up by housing**

The housing boom has provided **Stockland** a platform to achieve "outstanding performance" of raising its first-half profit by 8.5%. The residential business grew by 72.8% due to increased sales and better margins. The commercial business which includes shopping centres, office towers and logistics facilities also grew by 4.7% in operating profit. [ASX 11/02/2015]

#### **BWP 19% revenue growth**

The trust whose portfolio consists mainly of Bunnings Warehouse stores, **BWP** recorded a 19% revenue growth to \$71.2 million for the first-half due to growth of the property portfolio through acquisitions, improvements to investment properties and rent reviews. The half year profit after tax grew 75.9% to \$117.3 million. [ASX 11/02/2015]

#### **Merger talk of major retail players**

Australia's largest retail property landlord, **Scentre Group**, is tipped to play a key role in the merger talks between **Federation Centres** and **Novion Property Group** (formerly Commonwealth Banks' CFS Retail Property Trust Group). If the merger was successful, Federation Centre will be Australia's second largest retail landlord. Novion's largest investor, billionaire John Gandel, supports the merger with Federation. [AFR 12/02/2015]

#### **Overall positive for Mirvac**

Diversified property group **Mirvac** had reaped benefits from the hot residential market, particularly in the apartment market which has Mirvac report a 15.5% growth in first half profit to \$279 million. Mirvac forecasts positive outlook in the office and retail market, as well as continued growth in the residential sector. [ASX 12/02/2015]

#### **Goodman's positive results**

The **Goodman Group** has recorded a positive first half result with a 10% growth in operating profit to \$327 million. The group forecasts a 7% rise in distribution to 22.2c and similar earnings at year end. The half year profit after tax had grown from \$160.4 million to \$512.7 million. [ASX 12/02/2015]

#### **Stockland mooted for Novion**

There is speculation that **Stockland** is a rising counter-bidder for **Novion**, which is in talks on merger proposal with **Federation Centres**. Stockland has a higher rating, greater debt capacity and higher earnings growth than Federation. Therefore, Novion will get a better deal if signed to Stockland. Scentre Group was also named as one of the counter-bidders in the mooted merger with Federation. [AFR 13/02/2015]

#### **Growthpoint seeking more**

**Growthpoint Property Group** has recorded a 74.1% increase in half year revenue after growing its \$2.2 billion portfolio. Growthpoint is now on a lookout for more potential merger and acquisitions to expand its portfolio. The interim profit after tax rose 123.4% to \$141.8 million. [ASX 16/02/2015]

#### **Folkestone joins in residential boom**

Childcare centre landlord **Folkestone Education Trust** enjoyed a 147.6% growth in net profits in the half year. Folkestone plans to acquire more childcare site located in residential zones with high underlying land value. The acquisition is also an exit strategy to sell off with residential development potential should market conditions change. [AFR 18/02/2015]

#### **Fife Capital warns of 360 Capital takeover bids**

**Australian Industrial REIT** managed by **Fife Capital** has warned shareholders that they may be facing lower earnings and distributions, and higher gearing if the **360 Capital Industrial Fund** takeover bids were successful. 360 has a higher than normal gearing and does not have any directors independent from its listed parent and manager **360 Capital Group**. [AFR 18/02/2015]

#### **Ardent looks to falling dollar**

Theme park and health club landlord Ardent Leisure has reported a half yearly profit of \$18.82 million. The health club Good Life franchise will now operate for 24 hours in a bid to improve membership and operating margins. Ardent expects to see higher revenue at the full year due to the falling dollar and potential rise in domestic investors. [AFR 19/02/2015]

#### **Strong disposals boost Abacus**

The **Abacus Property Group** has used some strong disposals of assets to achieve 28% growth in profit after tax to \$62.64 million, in comparison to the 2014 interim of \$48.93 million. The sale that boosted the first-half profit was the sale of Birkenhead Point Shopping Centre and Marina in Sydney, which sold for \$310 million. The capital has been reinvested into buying the Oasis Shopping Centre on the Gold Coast for \$103.5 million in a joint venture with **KKR**. [AFR 19/02/2015]

#### **Novion gets an 8% lift**

**Novion Property Group** has recorded an 8% increase in its interim operating income to \$210.5 million due to a buyback of its own management rights and the benefit of property income growth. Novion's interim distribution is 6.9c per share and confirmed the full-year 2015 distribution guidance of 13.8c per share. [AFR 19/02/2015]

#### **DEXUS fund strong performance**

**DEXUS Property Group** has reported a 25.4% growth in first-half operating cash flow to \$258.4 million. The growth was attributed to strong performance of the **Commonwealth Property Office Fund** portfolio which operated on cheaper debts and several acquisitions. The office landlord has no intentions of mergers and acquisitions activity in the near future and expects 2015 to be favourable for investment demand and total returns from the office sector.  
[AFR 19/02/2015]

#### **Strategy gives Folkestone profit leg up**

Sydney based fund manager **Folkestone** has recorded a 23% increase in the interim net profit of \$2 million. The profit was a result of a strategy for growth in both its funds management platform, **Folkestone Education Trust** which acquired **Folkestone Social Infrastructure Trust**, and its development exposure in both commercial and residential development through a new unlisted real estate development fund.  
[AFR 19/02/2015]

#### **Aveo focused on aged care**

Higher volumes of transactions and sales figures have boosted the retirement group **Aveo Group** in the half year profits. Aveo recorded a 26% increase in half year profits to \$24.1 million after a strong six months period of turnover activity in its portfolio of 75 retirement villages. Aveo will continue to focus on its pure-play in the aged care sector by selling off its non-retirement assets and investing in its development pipeline of retirement units and villas.  
[AFR 19/02/2015]

#### **BlackWall drops on performance fees earned**

**BlackWall Property Funds** has announced a \$1.3 million net interim profit, which is a decrease when compared to the same period in 2014 where net profit was \$3.7 million. The fall in profit is due to a drop in performance fees earned from \$3.7 million in December half-year to just \$250,000 in the latest reporting period.  
[ASX 18/02/2015]

#### **Apartment sales support Lend Lease growth**

**Lend Lease** has enjoyed a record of increased apartment pre-sales in Australia and the UK which has underpinned the developer's net profit of \$315.6 million. Lend Lease increased its residential presold revenue by \$2.2 billion to \$3.6 billion. The Australian development business delivered a profit after tax of \$132.6 million. In Asia the profit after tax fell by 72% attributed to the development and construction business. Elsewhere in Europe, the profit after tax grew to \$75.3 million.  
[AFR 24/02/2015]

#### **GPT on logistics trend**

GPT Group has delivered a 12.7% growth in net operating income to \$645.3 million. GPT has focussed its business in the logistics and business park developments three years ago and is now reaping the benefits of the trend. GPT funds management business also reported growth.  
[AFR 24/02/2015]

#### **Arena's 70.6% boost**

The childcare property landlord **Arena REIT** has expanded its childcare and medical centres portfolio in the interim through acquisition and development to \$382 million. Net half year profit grew 70.6% to \$21.5 million.  
[ASX 25/02/2015]

#### **Charter Hall managed portfolio 10.4% growth**

Funds manager **Charter Hall Group** have reported outstanding interim results of a 39.5% net profit growth to \$39.5 million and grew its management portfolio by 10.4% to \$12.7 billion. Charter Hall's guidance for full year is unchanged at 7.9% growth in operating earnings per share.  
[ASX 25/02/2015]

#### **360 Capital focus on unlisted funds**

**360 Capital** has recorded a 20.7% growth in operating profit to \$7 million. The fund management group will focus in the unlisted funds business and roll out new unlisted closed ended funds based on the Retail Funds template. The fund manager is backing the takeover bid by **360 Capital Industrial Fund** for the **Australian Industrial REIT**.  
[AFR 26/02/2015]



## 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

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## 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