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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.

MAY 2015

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Sales

Commercial

520 Collins Street, Melbourne, VIC 3000

A private investor has snapped up a 15-storey office tower from Melbourne powerbroker Jason Yeap for **more than \$50 million**. The sale reflects an **initial yield of around 6.7%**.
[AFR 04/05/2015]

52 Collins Street, Melbourne, VIC 3000

Australian National University has sold a 12-floor A-grade office tower to property investment firm *Marks Henderson* for **more than \$32 million**. The tower offers 3,500 m2 of lettable space and is currently fully leased. *ANU* will continue to lease a floor in the building with nine other tenants, including the ground floor retail space being occupied by *Koko Black* on a long-term lease. The sale reflects a rate of \$9,142.85 psm.
[AU 07/05/2015]



53-55 Liverpool Street, Sydney, NSW 2000

An Asian-based syndicate has acquired a five-storey heritage office block from a syndicate of three families for **\$19.1 million**. The site will likely be upgraded or converted into a boutique hotel.
[SMH 13/05/2015]

633-647 Springvale Road & 54 Dunlop Road, Mulgrave, VIC 3170

Developed *Salta Properties* have purchased two commercial sites adjacent to its **Nexus Corporate Business Park** for **\$11 million**. The 2.4 ha site will take the total area of the business park to 11.8 ha. The project, which is expected to begin next year, will create the largest suburban office park in Victoria with a number of tenants already lining up. Tenants include, *Carlisle Homes*, *BMW*, *Adidas*, *Renault* and *GSI*. The sale reflects a rate of \$458.33 psm. Mulgrave is located around 23 km south-east of Melbourne's CBD.
[AU 21/05/2015]

Adelaide Street, Brisbane QLD 4000

A private investor has paid **\$16 million** for a portfolio of properties in Brisbane's CBD on a **yield of 5.77%**. The deal includes, 33 Adelaide Street, 32 Burnett Lane, 43 Adelaide Street and 45 Adelaide Street. 32 Burnett Lane is a four-storey building occupied by *The Survey Restaurant*, while 43 Adelaide Street is a three-storey building occupied by *JB HiFi* and *Mad Dance House*.
[AFR 22/05/2015]

193 Mary Street, Brisbane, QLD 4000

Fragrance Group has paid **\$10 million** for 126-year-old heritage-listed shipping office, known as **Naldham House**, from the *Brisbane Polo Club*. The sale of the three-level 1,425 m2 building reflects a rate of \$7,018 psm.
[AFR 26/05/2015]

210 & 220 George Street, Sydney, NSW 2000

Anton Capital, on the behalf of *Goldman Sachs*, has bought two office buildings for **just under \$100 million**. The buildings currently have many existing leases but the properties could be redeveloped into either mixed-use developments or new office buildings. The sale reflected a **fully leased yield of around 7%**.
[AFR 26/05/2015]

2 Meredith Street, Bankstown, NSW 2200

A Singaporean private equity group has picked up a commercial office building from *Fortius Funds Management* for **\$50 million on a yield of about 10%**. The 4,935 m2 A-grade property was recently refurbished costing over \$2 million. The building is close to being fully leased with a range of tenants including *NSW Police*, *Centrelink*, *Westpac*, *Commonwealth Bank* and *St. George*. The property has 229 car bays and has a weighted average lease expiry of about 2.3 years. A mixed-use redevelopment could also be done in the future. The sale reflects a rate of \$10,131.70 psm. Bankstown is located about 18.4 km south-west of Sydney's CBD.
[AFR 28/05/2015]

Industrial

269-271 Frankston-Dandenong Road, Dandenong South, VIC 3175

A private investor has purchased a 7,340 m2 industrial facility on a 2.43 ha site from Melbourne-based fund manager *Quintessential Equity* for **\$7.2 million**. The facility is currently leased, on a 14-year deal expiring in 2029, to electricity cable manufacturer *Tycab Australia*. The sale reflects a rate of \$296.30 psm. Dandenong South is located 34.9 km south-east of the Sydney CBD.
[AFR 05/05/2015]

19 Military Road, Matraville, NSW 2036

EG Funds Management has acquired an industrial site for **\$13 million** on an **initial passing yield of 10%**. The 1.3 ha site includes an existing lease to *Veolia Environmental Services* and is used as a waste and materials transfer station. The property also has future development upside. The sale reflects a rate of \$1,000 psm. Matraville is located 11.1 km south of the Sydney CBD.
[AFR 05/05/2015]

112 Cullen Avenue, Eagle Farm, QLD 4009

The *City of Brisbane Investment Corporation's* major industrial property has been sold to the *Dexus Wholesale Property Fund* and the *DEXUS* Industrial partner, backed by Australia's *Future Fund*, for **more than \$20 million**. The 12 ha facility is set on 20,080 m2 site, reflecting a rate of \$996 psm. Eagle Farm is located 8.8 km north-east of the Brisbane CBD.
[AFR 07/05/2015]



2-10 Bliss Court, Derrimut, VIC 3030

A Melbourne-based private investor has snapped up a 9,715 m2 industrial facility for **\$8.84 million, on a yield of 9%**. The sale reflects a rate of \$909.93 psm. The property is currently leased to *Australian Automotive Distribution* on a five-year deal. Derrimut is located 19.4 km west of the Melbourne CBD.
[AFR 12/05/2015]

78-118 Cherry Lane, Laverton, VIC 3028

The *AIMS Property Securities Fund* has bought an industrial site for **\$35.5 million**. The site is currently leased on a new 10-year deal to *Patrick Autocare Pty Ltd* with 4% increases annually. The sale of the 23.8 ha industrial property shows **an initial yield of around 6%** and reflects a rate of \$149.15 psm. Laverton is located around 22.2 km south-west of the Melbourne CBD.

[AFR 13/05/2015]

15-33 Alfred Street, Blackburn, VIC 3130

BWP Trust has sold multi-tenanted industrial property to a private investor for **\$17.53 million**. The sale of the 20,323 m2 industrial property reflects a rate of \$863 psm. Blackburn is located 17.9 km east of the Melbourne CBD.

[AFR 15/05/2015]

Ferntree Gully Road, Knoxfield, VIC 3180

A-Reit Growthpoint Properties Australia has paid **\$56.9 million** to acquire three industrial properties in Knoxfield. The properties comprise 37,694 m2 of offices and warehouses on a 68,389 m2 site. The sale reflects a weighted average **passing yield of 7.84%** and a rate of \$832 psm. The tenants include *Brown & Watson*, *NGK Spark Plug*, *Food Services* and *Orora Limited*. The weighted average lease expiry is 6.8 years. Knoxfield is located 29.8 km south-east of the Melbourne CBD.

[AFR 15/05/2015]

191-197 Salmon Street, Port Melbourne, VIC 3207

The headquarters of *GM Holden* has been sold to *Mirvac Group* for **more than \$85 million, on a yield of 10.5%**. The 23,960 m2 three-level office building, with 23,763 m2 of net lettable area, has a net passing income of nearly \$9 million and a weighted average lease expiry of 5.3 years. The sale reflects a rate of \$3,577 psm. Port Melbourne is located about 5 km south-west of the Melbourne CBD.

[AFR 19/05/2015]

23 Fiveways Boulevard, Keysborough, VIC 3173

Australian Unity has acquired a 4,600 m2 warehouse for **\$6.5 million**. The sale reflects a rate of \$1,413 psm. Keysborough is located about 26.2 km south-east of the Melbourne CBD.

[AFR 20/05/2015]



342 Cooper Street, Epping, VIC 3076

Industrial showroom units have been sold to a private investor for **\$6 million**. The sale of the 3,243 m2 site reflects a rate of \$1,850.15 psm. Epping is located around 21.2 km north of Melbourne's CBD.

[AFR 20/05/2015]

22-24 Howleys Road, Notting Hill, VIC 3168

Harmony Property has snapped up a 2,500 m2 warehouse for **\$5.1 million**. The sale reflects a rate of \$2,040 psm. Notting Hill is located about 21.1 km south-east of Melbourne's CBD.

[AFR 20/05/2015]

Henry Street, Belmont, VIC 3216

Developer, *Up Property*, has purchased the former *CSIRO* research facility for approximately **\$8-10 million**. The 6.37 ha site has development potential with the site likely to be re-zoned for residential development. The 22,000 m2 property includes offices, laboratories and warehouses. Belmont is located around 81.5 km south-west of Melbourne's CBD.

[AFR 22/05/2015]

122 Newton Road, Wetherill Park, NSW 2164

Propertylink has snapped up a 3.3 ha industrial property for **\$14.5 million**. The site contains a 9,450 m2 building and development potential for a further 10,000 m2 industrial development. The sale reflects a rate of \$439.40 psm. Wetherill Park is located around 31.9km west of the Sydney CBD.

[AFR 27/05/2015]

91-97 Kimberley Street, Richlands, QLD 4077

A 3,098 m2 industrial property has been picked up for **\$8.4 million** by *Primewest*, on a **yield of 8.4%**. The sale reflects a rate of around \$2,711 psm. Richlands is located about 19.3 km south-west of Brisbane's CBD.

[AFR 27/05/2015]

649-655 Springvale Road, Mulgrave, VIC 3170

An owner-occupier has bought a 19,286 m2 industrial facility, on a 48,600 m2 site, for **\$14.1 million**. The site includes three interconnected buildings and sold on a rate of \$290.10 psm.

[AFR 27/05/2015]

5 McCourt Road, Yarrowonga, NT 0830

Norbuilt has sold warehouses, showrooms and offices at its business centre to a variety of buyers, consisting mainly of small business operators and super fund investors, for **\$9.6 million**. Twenty-four warehouse units were sold for \$5.7 million, five showrooms for \$2.2 million and seven offices for \$1.7 million. Yarrowonga is located 20.6km east of Darwin's CBD [AFR 28/05/2015]

90 Ashford Avenue, Milperra, NSW 2214

Tsolon Investments has sold an industrial site to international transport and logistics firm, *a. hartrdot*, for **\$10 million**. The 20,210 m2 cross-dock facility will now be the business's new Sydney warehouse. The property includes a high-clearance warehouse, roller shutter doors and a two-level 7970 m2 office. The sale reflects a rate of \$494.80 psm. Milperra is located around 23.9 km south-west of the Sydney CBD.

[AFR 28/05/2015]



Cnr Denison Street & Corish Circle, Pagewood, NSW 2035

A New Zealand private equity group has emerged as the buyer of an industrial site in the container port precinct of Port Botany. The group paid **around \$20 million** for the site that was previously used for car parking. The property now has environmental auditor approval for commercial and industrial use with no need for remediation. The sale of the 4 ha site reflects a rate of \$500 psm. Pagewood is located 9.2 km south of the Sydney CBD.

[AFR 28/05/2015]

Retail

194-200 Bourke Street, Melbourne, VIC 3000

A local developer with overseas connections has paid **about \$60 million** for a former *Hoys* cinema complex. The three-level building, which is now known as the **Midcity Arcade** and **Chinatown Cinema Complex**, sold on a **yield of around 5%**. The sale of the 2040 m2 site reflects a rate of \$29,411.75 psm. Tenants include, the *Chinatown Cinema Complex* and a mix of Asian restaurants and cafes and boutique retailers.

[AFR 06/05/2015]

2-40 Baptist Street, Surry Hills, NSW 2010

China-backed developer *Auswin TWT* has purchased the **Surry Hills Shopping Village** for **\$96 million**, on a **yield of 4.48%**. The shopping mall is anchored by a *Coles* supermarket and currently brings in over \$4.3 million in annual income.

The 1.519 ha site has redevelopment potential with the shopping centre and adjoining car park having the capacity to be converted into 300 apartments with a ground-floor shopping complex. The sale reflects a rate of \$6,319.95 psm. Surry Hills is located 5 km south-east of the Sydney CBD.

[AFR 06/05/2015]



38-62 Moreton Bay Road, Capalaba, QLD 4157

Private Taiwanese company *Shayher Group* has bought **Capalaba Central** shopping centre for **\$5 million**. The purchase reflects an **initial yield of about 7.5%**. Capalaba is located 19.7 km north-west of the Brisbane CBD.

[AFR 06/05/2015]

Windsor Road & White Hart Drive, Rouse Hill NSW 2155

GPT has acquired a mixed-use development site in Rouse Hill for **\$61.2 million**. The purchaser has gained development approval to allow the **Rouse Hill Town Centre** retail floor space to be expanded from the 69,000 m2 currently up to 130,000 m2 and for an additional 61,400 m2 of commercial and mixed use space. Rouse Hill is located around 41.2 km north-west of the Sydney CBD.

[AFR 07/05/2015]

324-328 Hampshire, Sunshine, VIC 3020

A local private investor has picked up the recently refurbished **Sunshine Plaza Shopping Centre** for **\$35 million**. The 15,376 m2 shopping complex was sold on a **yield of about 9%** and reflects a rate of \$2,276.27 psm. The centre is anchored by a 3,508 m2 *Woolworths* and a 1,655 m2 *Aldi* supermarket, along with eight mini-majors and 44 specialty stores. Sunshine is located 13 km west of the Melbourne CBD.

[AFR 13/05/2015]

312-328 Gorge Road, Athelstone, SA 5076

A private investor has snapped up the **Athelstone Shopping Centre** for **\$12 million**. The 4611 m2 site was sold on a **yield of 7.9%** and reflects a rate of \$2,602.45 psm. Athelstone is located 12.5 km north-east of Adelaide's Central Business District.

[AU 14/05/2015]



132-142 Wellington Parade, East Melbourne, VIC 3002

A local developer has purchased a development site across from the **Melbourne Cricket Ground** for around **\$13 million**. The 709 m2 site comprises shops and offices and the site can be redeveloped up to a height of eight levels. The property was sold on a **yield of about 4%** and reflects a rate of about \$18,335.70 psm. East Melbourne is located 2.2 km east of the Melbourne CBD.

[AFR 20/05/2015]

1-9 Young Street, Bermagui, NSW 2546

A 1800 m2 *Woolworths*'s supermarket has been purchased by a Brisbane private investor for **\$10.16 million** at auction on a **yield of 5.16%**. The site is currently leased on a 20 year term to 2035 plus options to 2075 for \$525,217 net per annum. The sale reflects a rate of \$5,644.45 psm. Bermagui is located 376 km southwest of the Sydney CBD.

[AFR 20/05/2015]

Redbank Road, Northmead, NSW 2152

The *Charter Hall Group* has snapped up a new **Masters Home Improvement Store** with 354 car spaces for **\$34 million** on an **initial yield of around 6.6%**. The 12,500 m2 property, which was sold by *Lyndsay Bennelong Developments*, is currently leased to *Woolworths* for \$2.25 million net per year on a 20-year lease with two further five-year options. The sale reflects a rate of \$2,720 psm. Northmead is located 26.3 km north-west of Sydney's CBD.

[AFR 22/05/2015]

567 Kessels Road, Macgregor, QLD 4109

Unison Property Company has acquired the 9,252 m2 **Kessels Court** large format retail centre from *ISPT* for **\$30 million**. The centre is anchored by *Trade Secret*, *Super Cheap* and *Queensland Transport*. The sale reflected a **yield of around 7%** and a rate of \$3,242.65 psm. Macgregor is located about 13.2 km south-east of Brisbane's CBD.

[AFR 27/05/2015]

1085-1087 Western Highway, Caroline Springs, VIC 3023

A Melbourne private investor has bought a leased showroom property from a Melbourne developer for **\$5.25 million**. The 2 showrooms together are 2,448 m2 in size and are leased to *Autobarn* and *Petbarn*. The properties sold on a **passing yield of 6.9%** and the tenants are paying a net annual rent of \$364,088. The sale reflects a rate of \$2,144.60 psm. Caroline Springs is located 23.9 km north-west of Melbourne's CBD.

[AFR 28/05/2015]

21 Peachey Road, Ormeau, QLD 4208

Canute Investments has purchased a newly-built, fully leased **Woolworths Ormeau** neighbourhood centre from *Woolworths* for **\$24 million**, on a **yield of 6.75%**. The 8,607 m2 site contains a *Woolworths* supermarket and six specialty stores. The sale reflects a rate of \$2,788.45 psm and the property has an average weighted lease expiry of 18.5 years. Ormeau is located around 35 km north-west of the Gold Coast CBD.
[AFR 28/05/2015]



2 North Street, Logan Village, QLD 4207

The **Logan Village** has been sold to *Canute Investments* from *Woolworths* for **\$15 million**, on a **yield of 6.3%**. The fully leased building sits on a 12,000 m2 site and has a weighted average lease expiry of 18.2 years. The sale of the property reflects a rate of \$1,250 psm. Logan Village is located about 46 km south-west of Brisbane's CBD.
[AFR 28/05/2015]

15 Global Plaza, Oxenford, QLD 4210

A freestanding building, currently leased to *Kmart* for 12 years, has been snapped up by a private investor for **just under \$22.7 million**. The 6,200 m2 property was sold by *Bunnings Warehouse* with the sale reflecting a rate of \$3,661.30 psm. Oxenford is located around 62.4 km south-east of the Brisbane CBD.
[AFR 28/05/2015]

16 Maryborough Street, Bundaberg, QLD 4670

QIC Global Real Estate has picked up the **Hinkler Central** shopping centre from *Mirvac Group* for **\$110 million on a yield of between 6.5 and 7%**. The sale of the 20,754 m2 site reflects a rate of \$5,300.20 psm. The shopping centre contains two supermarkets, a discount department store and more than 75 speciality stores. The building also has 1,070 car spaces. Bundaberg is located around 358 km north of the Brisbane CBD.
[AFR 28/05/2015]



Surfer's Paradise Boulevard, Surfers Paradise, QLD 4217

Morgan Stanley's Arena Investment Management has sold the **Chevron Renaissance** shopping centre to *Precision Group* for **\$74 million**. The 13,127 m2 property contains a *Coles* supermarket, a *Liquorland* and 57 speciality tenants. The *Coles* supermarket lease will end in 2020, while the *Liquorland* lease will end in 2016. The sale reflects a rate of \$5,637.25 psm.
[AFR 29/05/2015]

Residential Development

28-34 Donald Street, Carlingford, NSW 2118

A local developer has bought a 2,826 m2 residential development site from a syndicate of private investors for **around \$6 million**. The site will sustain a high density residential project. The sale reflects a rate of \$2,123.15 psm. Carlingford is located around 21.3 km north-west of Sydney's CBD.
[AU 04/05/2015]

Western Australia Residential Sales Wrap

Aigle Royal Developments has snapped up the **Port Geographe** residential development near Busselton in the south-west of Western Australia for **\$13.5 million**. The 59 ha site will be divided into around 120 canal lots and 530 residential lots over the next decade with work scheduled to begin in 2016. The sale reflects a rate of \$22.88 psm.
[AFR 06/05/2015]

22-28 Merivale Street, South Brisbane, QLD 4101

Sunshine Investments International has sold a residential development site to *Abacus Property Group* and *KPG Capital* for **\$22.2 million**. The 2,733 m2 site has development approval to build two 30-storey residential towers with 486 units in total. The sale reflects a rate of \$8,122.95 psm. South Brisbane is located about 1 km south-west of the Brisbane CBD.
[AU 08/05/2015]

High Street, Prahran, VIC 3181

A local developer has purchased a residential development block for **\$6.25 million on a yield of 1.65%**. The property currently contains a car-wash and a diner with leases expiring in 2017. The sale of the 850 m2 property reflects a rate of \$7,352.95 psm. The site was sold without development approval. Prahran is located around 5.7 km south-east of Melbourne's CBD.
[AFR 13/05/2015]

242-246 High Street, Windsor, VIC 3181

A local developer has snapped up a 914 m2 residential development site for **\$6.55 million, on a short-term yield of 1.5%**. The site has development approval for 47 apartments, 3 shops and 45 car spaces. The sale reflects a rate of \$7,166.30 psm. Windsor is located around 5.9 km south-east of Melbourne's CBD.
[AFR 13/05/2015]



12-24 Rothschild Avenue, Rosebery, NSW 2018

A private Chinese development group has purchased an 8,304 m2 site with three street frontages from a private owner for **nearly \$50 million**. The once industrial site will now be transformed into 260 high-value apartments. The sale reflects a rate of \$6,021.20 psm. Rosebery is located 11 km south of the Sydney CBD.
[AU 14/05/2015]

432-442 Elizabeth Street, Surry Hills, NSW 2010

A local developer has paid **\$9.25 million** for a development site. The developer plans to convert the site into a residential and retail complex by combining two titles. The property is currently zoned B4 mixed-use.
[AFR 14/05/2015]

39-51 Hancock Street, Southbank, VIC 3006

Developer *Salvo Property Group* has bought a vacant 632 m2 parcel of land for **\$6.28 million**. The developer will construct a residential tower on the development site. The property was bought from a private seller and the sale reflects a rate of \$9,936.70 psm. Southbank is located 1.1 km south of Melbourne's CBD. [AFR 14/05/2015]

53-65 Burnley Street, Richmond, VIC 3121

Salta Properties has picked up a 4,322 m2 mixed-use residential site for **more than \$20 million**. The sale reflects a rate of \$4,627.60 psm. Richmond is located 3km south-east of the Melbourne CBD. [AFR 20/05/2015]

132-142 Wellington Parade, East Melbourne, VIC 3002

A local developer has snapped up a 709 m2 residential development site for **\$13 million on a yield of 4%**. The site contains existing shops and offices but has development approval for an 8-level residential development. The sale reflects a rate of \$18,335 psm. [AFR 20/05/2015]

61-79 King Street, Thornlands, QLD 4164

A private seller has sold an 8.78 ha site to residential developer *Ausbuid* for **\$10.8 million**. *Ausbuid* will now construct a new housing estate on the site called **Majestic** which will include the construction of 83 residential homes over 2 stages and a 3.14 ha parkland. 48 homes are currently for sale with prices ranging from \$310,000 to \$397,000 a site. The sale reflects a rate of \$123 psm or **\$130,120.48 per proposed house**. Thornlands is located 30.6 km south-east of the Brisbane CBD. [AFR 21/05/2015]

6-8 Darling Island Road & 34-38 Pirrama Road, Pyrmont, NSW 2009

Aqualand Australia has acquired a water-front development site and the adjoining *Channel Seven* headquarters for **around \$180 million**. *Aqualand* will develop part of the one-hectare site into luxury apartments. Number 8 Darling Road has development approval for 46 luxury apartments, while number 6 on the same road has approval for a 8-storey building with 32 apartments. 34-38 Pirrama Road contains two heritage buildings and a smaller gatehouse building which is subject to *Channel Seven's* lease, which potentially ends in 2029. The sale reflects a rate of around \$18,000 psm. Vendors included *Citta Property Group*, *Seven Group Holdings* and Greg Shand of *Barana Group*. Pyrmont is located 2 km west of the Sydney CBD. [AFR 21/05/2015]

276 Swan Road, St Lucia, QLD 4067

Residential developer, *Sunland*, has snapped up Brisbane's '**Pink Palace**' mansion formerly owned by Cindy Fleming for **\$11.25 million**. The mansion and its pink boundary wall will be demolished in order to build 28 boutique luxury houses with an estimated value of more than \$45 million. The sale of the 6,300 m2 site reflects a rate of \$1,785.70 psm. St Lucia is located about 5.9 km south-west of Brisbane's CBD. [AFR 26/05/2015]



New South Wales Residential Sales Wrap

A 10 hectare residential development site has been sold to *Metro Property Development* in Catherine Field for **\$20 million**. The site has the potential for the development of 139 residential lots. The sale reflects a rate of \$200 psm. Catherine Field is located around 60 km south-west of Sydney's CBD. [AFR 27/05/2015]

268, 272 & 274 City Road, Southbank, VIC 3006

Three adjoining sites have been sold by three separate owners to a private developer for **more than \$20 million**. The 1,431 m2 site currently contains a single-storey showroom and warehouse, a two-storey nightclub and a carwash. However, the property does have approval for a 527-unit development over 61 levels. The sale reflects a rate of \$13,976.25 psm. [AFR 28/05/2015]

Victorian Residential Sales Wrap

Developer *AVJennings* has purchased the **Waterfront Place** project in Port Melbourne for **over \$50 million**. The currently under-construction site will have 850 dwellings with a mix of apartments and townhouses, with buildings to be up to 20 levels. The sale of the 4 ha infill development site, which will have an end value of \$500 million, reflects a rate of approximately \$1,250 psm. Port Melbourne is located around 5 km south-west of Melbourne's CBD. [AFR 29/05/2015]

Rural

Victorian Rural Sales Wrap

Australian Dairy Farms Group has purchased three dairy farms, known as **Brucknell 4**, **Elingamite** and **Nirranda**, in south-west Victoria for **\$16 million**. The farms are close to the company's existing *Brucknell* farms in and around the high-quality, golden-triangle dairy region. [AFR 14/05/2015]

Six Foot Track, Megalong, NSW 2785

Merivale event manager Emma MacMahon has **paid just over \$1.8 million** for the **Dryridge Estate Vineyard** in the Blue Mountains. The 51.4-hectare site includes a five hectare vineyard with luxury holiday accommodation, a large equipment shed, a 100,000 litre and a 40,000 litre water tank, a wool shed, cattle yard and operational machinery for the vineyard. The property was also sold with DA approval for a second lodge to complement the existing three-bedroom family homestead. The sale reflects a rate of **\$35,019.45 per hectare**. The site is located in the Megalong Valley, about 113 km north-west of the Sydney CBD. [AFR 18/05/2015]



Specialised Properties

Yass Service Centre, Hume Highway, Yass, NSW 2582

The final asset of AMP Capital's Property Income Fund has been sold to Fawcner Property Group for **\$23 million** on a **yield of just below 8%**. The 5.87 ha site is fully leased with Caltex underpinning the tenants on a 10-year lease, representing 70% of the passing income. The site also includes a McDonalds and KFC and the Caltex station incorporates a Star Mart convenience store and a Coolabah Tree Cafe. The sale reflects a rate of \$391.80 psm. Yass is located 333 km south-west of the Sydney CBD.

[AU 21/05/2015]



Hotel & Leisure

488 George Street, Sydney, NSW 2000

Bright Ruby, a Singapore-based Asian investment house, has bought the **Sydney Hilton Hotel** for **\$442 million**. The hotel contains 579 rooms, 23 meetings rooms, 4000 m2 of food and beverage space and a 25 metre indoor pool. The property was sold on a **yield of 6%** and reflects a **rate of \$763,385.15 per room**.

[AFR 04/05/2015]

27 Central Road, Unanderra, NSW 2526

A local business person has snapped up the **Unanderra Hotel** from a company controlled by the family of former professional rugby league player Craig Young for about **\$8 million**. The sale of the 3,737 m2 site reflects a rate of about \$2,140.75 psm. The **Unanderra Hotel** contains 2 bars, Alfresco smoking VIP lounge, 2 beer gardens, Premium TAB and budget accommodation including 2 self-contained units. Unanderra is located around 81 km south-west of the Sydney CBD.

[AU 07/05/2015]

2-8 Bourke Street, Melbourne, VIC 3000

Mark and Alexander Robertson have sold the **Imperial Hotel**, one of Melbourne's oldest pubs, to a private local family for **\$11.45 million** on a tight **yield of 3.6%**. The two-storey building is on a 450 m2 site and includes bistros, a function room for up to 100 people and upper-floor offices and storerooms. The sale reflects a rate of \$25,444.45 psm.

[AFR 11/05/2015]

17 Bourke Road, Mascot, NSW 2020

A Chinese investor has paid **\$40 million** for an **Adina Hotel** from Capital Corporation. The hotel, which was recently developed and is operated by Toga Hotel, has 123 serviced apartments across seven storeys. The property also contains a restaurant, fully equipped kitchens and a bar. The sale reflects a **rate of \$325,203.25 per room**. Mascot is located 7 km south of the Sydney CBD.

[AU 14/05/2015]



17 Abbott Street, Cairns, QLD 4870

The **Pullman Cairns International** has been picked up by Melbourne-based Shakespeare Property Group, from TMG Developments and Ascendas Hospitality Trust, for **\$75.08 million**. The hotel features 321 large sized rooms, conference rooms, a ten room spa, as well as a restaurant, bar, pool and gym. The sale also includes the adjoining **Village Lane Retail Centre** and an under-ground car park. The property sold on a **yield of around 8%** and reflected a **rate of \$223,000 per room**. The hotel will likely be fully restored by the new owners. Cairns is located 1,678 km north-west of the Brisbane CBD. [AFR 18/05/2015]

412 Pitt Street, Sydney, NSW 2000

A private Melbourne group has purchased the **Westend** backpacker's hotel for **\$19 million**. The hotel has 86 rooms including 359 beds over 13 levels. The property, which is currently a freehold accommodation asset with vacant possession, will likely be refurbished and turned into a hotel. The sale reflects a **rate of \$220,930.25 per room**.

[AFR 18/05/2015]

25 Fenwick Drive, Ballina, NSW 2478

The **Ballina Lakeside Holiday Park** has been purchased by Aspen Parks Property Fund for **\$16.5 million** on a **yield of 10%**. The sale of the 54,400 m2 site reflects a rate of \$303.30 psm. The park has a variety of cabins and camping & caravan areas. Ballina is located 741 km north-west of the Sydney CBD.

[AU 18/05/2015]

161 Underwood Street, Paddington, NSW 2021

The **Grand National Hotel** has sold for **\$7.25 million** at auction to a private investor. LJB Hotels who currently have a long-term lease on the property are currently refurbishing the ground floor. The property includes a bar and restaurant. Paddington is located 3.1 km south-east of the Sydney CBD.

[AFR 22/05/2015]

1 Martin Place, Sydney, NSW 2000

Singaporean developer, Far East Organisation, and its affiliate, Sino Group, have paid **\$445.33 million** for the five-star, 416-room **Westin Sydney** hotel. The sale

reflected a reported **yield 4.5%** and a rate of **\$1,070,505 per room**.

The hotel also has conference facilities.

[AU 27/05/2015]



76 Head Road, Mosman, NSW 2088

The **Buena Vista Hotel** has been snapped up by an undisclosed private equity buyer from the Medich family for **\$16 million**. The two-storey 900 m2 building will now be managed by Public House Management Group. The pub has development approval for renovations to be done to the existing bar and restaurant area. The sale reflects a rate of \$14,444.45 psm. Mosman is located around 7.8 km north-east of Sydney's CBD.

[AU 28/05/2015]

Leasing

Commercial

727 Collins Street, Melbourne, VIC 3000

LinkGroup has leased 20,000 m2 of space at *Walker Group's Collins Square* development. The data analytics company will have custom-designed space over 10 floors in Tower 4 as well as naming rights for the building.

[AFR 07/05/2015]

54 Park Street & 66 Goulburn Street, Sydney, NSW 2000

The *Commonwealth Bank* has agreed to lease office space at *Lend Lease's* new **Darling Square** office building that is currently under construction. *CBA* has most likely signed a heads of agreement to move into 22,000 m2 of space on the site. The building is expected to be completed in 2018.

[AU 07/05/2015]

275 Kent Street, Sydney, NSW 2000

Westpac has agreed to continue leasing office space in its current Sydney headquarters for a further **12 years**. The lease has been extended from 2018 to 2030 and the building will be refurbished by the owners. *Westpac* will reduce the amount of space they are occupying in the building from 75,000 m2 to 58,400 m2. The deal reflects a rate of approximately **\$900 psm net per annum**.

[AFR 20/05/2015]



81-125 Princess Highway, Dandenong, VIC 3175

Ermha has agreed to a deal to lease 1,349 m2 of office space for **7 years**. The lease reflects a rate of **\$305 psm net per annum**.

[AU 20/05/2015]

2 Second Avenue, Mawson Lakes, SA 5095

Codan, a manufacturer and supplier of communications and electronic equipment, has agreed to lease office space at the **Adelaide Technology Park**. The lease is for almost 7,500 m2 of space on a **15-year lease with a 10-year option**. The building is currently under construction and is likely to be completed in February 2016. Mawson Lakes is located 13.8 km north-east of Adelaide's CBD.

[AFR 20/05/2015]

200 George Street, Sydney, NSW 2000

Mirvac will occupy 5,680 m2 of space over five floors in the landmark development it co-owns with *AMP Capital Wholesale Office Fund*. *Mirvac* will take up some of the space that has been given up by accounting firm *EY*. The deal is for a **10-year lease** starting when the tower is expected to be completed in mid-2016.

[AFR 21/05/2015]

23-24/201 Elizabeth Street, Sydney, NSW 2000

Study Group, an education provider, has moved into two floors of office space close to their headquarters. The company will lease the 1,800 m2 space for **five-years** on a **gross annual rent of around \$800 psm**.

[AFR 26/05/2015]

1 Forrest Place, Perth, WA 6000

International design firm, *Hassell*, has agreed to lease 1,145 m2 of level one office space at a heritage listed building. *Hassell* will move from its studio currently in Central Park on St Georges Terrace. The deal is for **10 years**.

[AFR 26/05/2015]

8 Redfern Road, Hawthorn East, VIC 3123

Healthcare provider *Cabrini Health* has signed a deal to lease 2,000 m2 of office space, including 70 car parks, for **5 years**. Hawthorn East is located about 7.8 km east of the Melbourne CBD.

[AFR 27/05/2015]

Industrial

2-16 Salisbury Street, Silverwater, NSW 2128

Flooring specialist *Topdeck Flooring* has signed a three-year lease for an industrial facility. The 2,240 m2 facility comprises a 1,959 m2 high clearance warehouse and a 281 m2 office. *Topdeck Flooring* will pay a **net annual rent of \$105 psm**. Silverwater is located 18.6 km north-west of the Sydney CBD.

[AFR 05/05/2015]

1827 Lytton Road, Lytton, QLD 4178

Heavy vehicle mechanical company *Ferris 60* has moved into a newly purchased 6,859 m2 warehouse property on a **three-year deal**. The site contains a 1,200 m2 warehouse and office area and a large hardstand and yard. The net annual rent is about \$192,000, reflecting a rate of **\$27.99 psm per annum**. Lytton is located about 20 km north-east of the Brisbane CBD.

[AFR 12/05/2015]

2-4 Sunline Drive, Truganina, VIC 3029

A two-level corporate office and high clearance warehouse has been pre-leased by storage specialists *Stow Storage Systems Australia* to accommodate its Victorian operations and service its major clients in the west. The lease term is for **seven years** and *Stow Storage Systems Australia* will pay an annual net rent of \$301,350. The leasing of the 3,982 m2 property reflects a rate of **\$75.68 psm**. Truganina is located 23.5 km south-west of Melbourne's CBD.

[AFR 12/05/2015]



9 Ashley Street, West Footscray, VIC 3012

Independence Australia, a not-for-profit disability support organisation, has taken up space at *ISPT's Central West Industrial Park* on a **6-year deal**. The lease is worth a net annual rent of \$565,000 for a 5,581 m2 office and warehousing facility with about 4,000 m2 of warehousing space. The deal reflects a rate of **\$101.24 psm per annum**. West Footscray is located 8.4 km north-west of Melbourne's CBD.

[AFR 19/05/2015]

B1, 57 Templar Road, Erskine Park, NSW 2759

Supply chain service company *Icehouse Logistics* has leased 5,466 m2 of additional warehouse space from *Dexus*, to accommodate its growing business. The deal is for **six years** at a **net annual rent of \$110 psm**. The new site contains internal warehouse clearance, on-grade roller doors, recessed loading docks and car and truck parking. Erskine Park is located 44.4 km north-west of Sydney's CBD. [AFR 19/05/2015]

2/205 Queensport Road, Murarrie, QLD 4172

UMS has leased a 1,210 m2 office and warehouse facility at **\$150 psm per annum on a 5-year deal**. The property includes A-grade offices over two levels and two warehouses with container-height roller doors. Murarrie is located around 10 km east of the Brisbane CBD. [AFR 19/05/2015]

33 Riverside Place, Morningside, QLD 4170

Fine wine company, *Outrayjus*, has agreed to lease 2,000 m2 of freestanding warehouse and office space on an **8-year term**. The property has recently been refurbished and the lessee will pay a **net annual rent of \$110 psm**. Morningside is located around 6.6 km west of Brisbane's CBD. [AFR 26/05/2015]

70-86 Atlantic Drive, Keysborough, VIC 3173

Print communications business, *Blue Star Group*, has leased 6,789 m2 of office and warehouse space for **5 years**. The modern high-bay warehouse with on-grade loading and docks is 6,452 m2, while the office space is 337 m2. Blue Star Group will consolidate its three Melbourne offices into this one single warehouse. The lease is believed to be for **around \$90 psm**. Keysborough is located about 26.2 km south-east of the Melbourne CBD. [AFR 26/05/2015]

35 Britton Street, Smithfield, NSW 2164

Funeral services provider *TJ Andrews* has agreed to lease 1,279 m2 of warehouse space on a net annual rental of \$125,342. *TJ Andrews* have committed to a **5-year term, with the option for a 5-year extension**. The warehouse has high internal clearances, truck marshalling facilities and office space. The lease reflects a rate of **\$98 psm per annum**. Smithfield is located about 28.9 km west of the Sydney CBD. [AU 29/05/2015]



Retail

234 Boutique Place, Melbourne, VIC 3000

US computer giant *Hewlett Packard* will pay an estimated \$500,000 a year in net rent to occupy space in a Collin Street mall called **Collins234 Boutique Place**. HP will take up about 1,000 m2, reflecting a rate of **\$500 psm**. [AFR 14/05/2015]

Property Funds & Capital Raisings

Payce Consolidated buyback

Shareholders have voted in favour of a **\$240 million** buyback of *Payce Consolidated* issued ordinary shares. The buyback is the equivalent of one third of issued ordinary shares. There will also be a new preferential share issued at \$7.50. The buyback start date was May 12. [AFR 05/05/2015]

17.2% revenue growth for Ardent

Ardent Leisure has reported a 17.2% quarterly growth in total group revenue of **\$444.9 million** in the March quarter. During this period Ardent recorded an EBITDA \$101.6 million. After the quarterly earnings announcement, Ardent share prices increased by 11% to \$2.21. Ardent owns the Dreamworld theme park located in the Gold Coast. [AU 06/05/2015]

Fraser's 14% growth

Singapore-listed property fund *Fraser's Centrepoin Limited* has reported a 14% growth in profits in March quarter compared to a year ago. The announced profit EBITDA **\$198 million**. The rise in profit is attributed to the acquisition of Australian developer *Australand*, contributing about \$US105 million to the group's total revenue. [AFR 11/05/2015]

DTZ buys Cushman & Wakefield

The private equity-owned *DTZ*, backed by *TPG*, has bought rival property services firm *Cushman & Wakefield* for **\$US2 billion**. The sale includes Cushman's cash and liabilities. The acquisition is now labelled as the world's second largest commercial property services firm in terms of revenue. The combined firm will be known as *Cushman & Wakefield* and will have over \$US5.7 million revenue and 43,000 employees in over 50 countries. *DTZ* will fund the purchase by raising an additional \$US1.3 billion in the US Term Loan B market with UBS, JPMorgan, Credit Suisse and Bank of America Merrill Lynch making up the debt syndicate. [WSJ 11/05/2015]

Aspen quarterly falls 4.1%

Accommodation parks fund manager *Aspen Group* has revealed weak March quarter revenue. The net property income EBITDA fell 4.1% in comparison to March 2014. Aspen's main short stay and residential portfolio revealed a positive net income growth of 2.1%. The income in properties exposed to the resources sector fell 35.8% and the net income for resorts increased by 7%. [AFR 14/05/2015]

AMP stake in Australian Industrial REIT

AMP has established a 5.39% stake in the *Australian Industrial REIT* which is managed by *Fife Capital*. The industrial fund is in the midst of a takeover bid by rival fund *360 Capital Industrial Fund*. The 360 Capital fund has also increased its interests in the Fife-run fund to 26.65%. [AFR 14/05/2015]

Investa Sale pushed back

The 5 key bidders for the \$9 billion *Investa Property Group* business will be going into a second round of bidding after the vendor, *Morgan Stanley*, has extended the process to July. The shortlisted buyers include the local Cromwell Property Group backed by South Africa's Redefine Properties, US-based LaSalle Investment Management and its partner China Investment Corp, DEXUS Property Group backed by Canada's Brookfield and private equity giant Blackstone. [AFR 19/05/2015]



360 Capital up the ante

The *360 Capital Industrial Fund* has increased its interests in its takeover target, *Australian Industrial REIT*, to 28.36%.
[ASX 21/05/2015]

Investec billion dollar target

Investec Australian Property Fund has reported an operating profit of **\$20.9 million** in the 12 months to March, and a pre-tax distribution of 4.15c per share. The 17-asset fund aims to be a \$1 billion fund in three years' time. The fund is geared at 27% with a target of 40%, which allows the fund up to \$76 million in debt capacity for future acquisitions.
[AFR 22/05/2015]

Federation-Novion merger insight

The well anticipated merger of the two retail property owner giants *Federation Centres* and *Novion Property Group* is slowly taking shape. The *Australian Competition and Consumer Commission* have revealed that the two retail property groups will need to divest either one of their investments in the Frankston region, Victoria. The two malls indicated by the ACCC are Federation's 50% stake in the **Karingal Hub** (valued at about \$108 million, co-owned with ISPT) and Novion's much larger **Bayside Shopping Centre** (valued at \$566 million). There hasn't been any indication to which retail centre will be put up for sale.
[AFR 22/05/2015]

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
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- Plant & Machinery Valuation
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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:

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- Commercial and Residential non bank lenders
- Co-operatives
- Developers
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- Hotel owners and operators
- Institutional investors
- Insurance brokers and companies
- Investment advisors
- Lessors and lessees
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- 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:

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- Asset Management
- Asset Valuations for financial reporting to meet ASIC, AASB, IFRS & IVSC guidelines
- Compulsory acquisition and resumption
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- 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
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- Relocation advice, strategies and consultancy
- Rental assessments and determinations
- Sensitivity analysis
- Strategic property planning

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