



**Preston
Rowe
Paterson**

International
Property Consultants
and Valuers



IN THIS ISSUE

Sales and Leases

Commercial	4
Retail	6
Industrial	8

Residential Development 10

Residential 10

Specialised Property 11

Rural 11

Transactions in Review

May 2020



ABOUT THIS REPORT

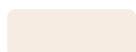
Preston Rowe Paterson prepare research reports covering the main markets within which we operate in each of our capital cities and major regional locations.

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

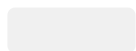
The markets covered in this research report include the commercial office market, industrial market, retail market, specialised property market, hotel and leisure market, residential market and significant property fund activities.

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

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



Sales Transaction



Rental Transaction



Perth Commercial

Seven West Media has sold their headquarters in Perth's inner north to *Primewest* for \$75 million, representing a yield of 5.73%.

Brisbane Retail

YFG Shopping Centre's has acquired a 75% stake in the Mount Ommaney Shopping Centre for \$285 million.

Sydney Industrial

Global packaging company Visy has sold its 8,956 sqm glass sorting and recycling facility to Sandran Property Group for \$17.25 million in a sale and lease back transaction.

HIGHLIGHTS



Commercial

Level 4, 71 York Street, Sydney NSW 2000

\$12 million

\$17,342 per sqm lettable area

The whole fourth floor of a strata office building in the Sydney CBD has sold to a private investor for **\$12 million**. The 692 sqm property had been owned and occupied by travel company, *Excite Holidays*, which went into voluntary administration in January. The deal was completed on a **rate of \$17,342 psm lettable area**.

(AFR 21.05.20)

38-42 George Street, Parramatta NSW 2150



\$15 million

\$26,882 per sqm site area

Two low-rise office buildings in Parramatta's CBD have sold for **\$15 million** in an off-market transaction. The property stands on a 558 sqm corner site, which will be situated opposite the future Parramatta metro west rail station. The deal was completed on a **rate of \$26,882 psm of site area**.

(AFR 07.05.20)

436 St Kilda Road, St Kilda VIC 3004



\$62.15 million

\$8,280 per sqm lettable area

Flight Centre has sold an 11-storey office building on the fringe of Melbourne's CBD for **\$62.15 million** in a sale and leaseback deal. The fully leased office tower comprises a net lettable area of 7,056 sqm and is located opposite Fawcner Park. Flight Centre will continue to occupy 75% of the building, with four other tenants occupying the remaining 25%. *Shakespeare Property Group* acquired the property via an off-market transaction on a rate of **\$8,280 psm lettable area**. (AFR 08.05.20)

182 Stawell Street, Burnley VIC 3121

\$600 gross psm lettable area

3 Years

\$300,000 p.a.

We Are Digital has leased a converted warehouse in Melbourne's inner east from a private lessor for a period of **three years**. The 500 sqm of office space is located on the ground floor of a two-level commercial building. The deal was struck on a **gross rate of \$600 psm**, equating to an annual rental of **\$300,000 per annum**.

(AFR 26.05.20)

665 Fairfield Road, Yeerongpilly QLD 4105

\$35.25 million

6.5% Yield

\$8,397 per sqm lettable area

The *City of Brisbane Investment Corporation* has sold a three-storey commercial building for **\$35.25 million**. The property comprises 4,198 sqm of office space fully leased to the **Brisbane City Council** with a WALE of approximately seven years with two further five-year options. *Ascot Capital* purchased the asset on a passing **yield of 6.5%** and a **rate of \$8,397 psm of lettable area**.


(APN.News 01.05.20)





50 Hasler Road, Osborne Park WA 6017


 \$75 million


 5.73% Yield

Seven West Media has sold their headquarters in Perth's inner north to *Primewest* for **\$75 million**. *Seven West Media* will continue to occupy the property, for 15 years, paying an annual rent of \$4.3 million per annum with 3% annual rent reviews. The deal was completed on a **yield of 5.73%**.

(Commercial Real Estate 13.05.20)

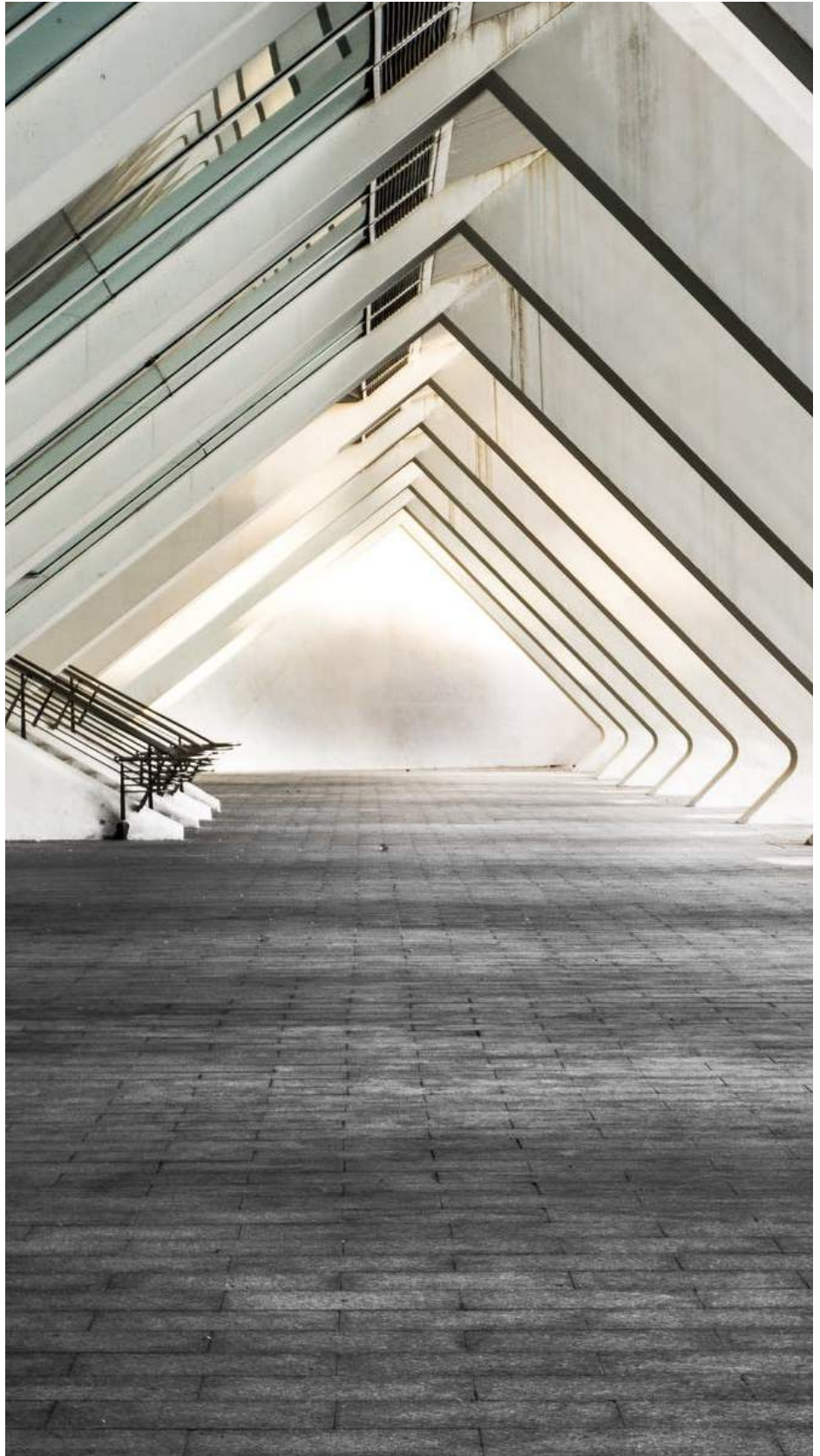
Adelaide Mail Centre, Adelaide SA 5000

 \$40.6 million

 \$1,074 per sqm lettable area

The Adelaide Mail Centre has changed hands in a **\$40.6 million** deal between *Australia Post* and *Kennards Self Storage*. The 17,924 sqm site is bounded by three street frontages and is improved with 23,832 sqm of commercial space over six levels. The deal, which was struck on a **rate of \$1,704 psm of lettable area**, was agreed to in March with the transaction recently settling. Kennards negotiated an 18-month leaseback arrangement to Australia Post and will look to redevelop the property and on-sell surplus land. The redevelopment will comprise a storage centre, due for completion in 2022.

(AFR 25.05.20)





Retail

484 Ballarat Road, Sunshine North VIC 3020

- \$39 million
- 5.84% Yield
- \$1,773 per sqm lettable area

A fund backed by the Lowy family has paid **\$39 million** for a Harvey Norman-anchored homemaker centre on a **passing yield of 5.84%**. The homemaker centre sits on a 6-hectare site and is spread across four buildings with 812 on site car spaces. The centre is leased to 13 tenants over 22,000 sqm of space. The sale was completed on a **rate of \$1,773 psm lettable area** and a fully let yield of 6.95%.

(AFR 28.05.20)

171 Dandenong Road, Mount Ommaney QLD 4074

- \$285 million (75% stake)
- 6% Yield
- \$6,952 per sqm lettable area

YFG Shopping Centre's has acquired a **75% stake** in the Mount Ommaney Shopping Centre for **\$285 million**, giving the retail landlords full ownership of the property. The 54,469 sqm shopping mall sold with an approved development application for an 11,481 sqm expansion. Global fund manager *Nuveen* sold the centre on a **low 6% yield** and on a **rate of \$6,952 psm of lettable area**. Nuveen's exit was struck at a premium to the assets book value.

(AFR 13.05.20)

215 Canterbury Road, Canterbury VIC 3126

- \$4 million
- 3% Yield (approx.)

A medical centre investment on Canterbury Road in Melbourne's east has sold in **\$4 million** off market deal. The sale price reflected a passing **yield of about 3%**. A private investor acquired the Canterbury medical Clinic from private healthcare professionals.




(AFR 21.05.20)








Industrial

126 Andrews Road, Penrith NSW 2750

-  \$17.25 million
-  5.79% Yield
-  \$2,141 per sqm lettable area




Global packaging company *Visy* has sold its 8,956 sqm glass sorting and recycling facility in Sydney's west to *Sandran Property Group* for **\$17.25 million** in a sale leaseback deal. *Visy* will continue to occupy the warehouse, for seven years with renewal options. The deal was completed on a **yield of 5.79%** and a **rate of \$2,141 psm lettable area**. (AFR 14.05.20)

12/22 Beaumont Road, Mount Kuring-Gai NSW 2080

-  \$140 net psm lettable area
-  4 Years
-  \$217,000 p.a.




Australian ceiling fan brand, *Hunter Pacific International* has leased an industrial unit on a **four-year** term. The 1,555 sqm unit in Sydney's outer north on an initial **net rent of \$140 psm of lettable area**, equating to an **annual rent of \$217,000**. The tenant was attracted to the ability to obtain a high-quality industrial unit at a more cost effective rent than other northern industrial precincts in Sydney. (AFR 19.05.20)

400 Moorebank Avenue, Moorebank NSW 2170

-  \$125 net psm lettable area
-  5 Years
-  \$1,562,625 p.a.




Timber Supplier *ATS Buidling Supplies* is relocating to the Moorebank Logistics Park after agreeing to a **five-year** lease over 12,501 sqm of warehouse space. The facility is owned by import-export logistics service provider *Qube Holdings*. The deal for the industrial facility was struck on an initial **net rent of \$125 psm of lettable area**, equating to **\$1,562,625 per annum**. (AFR 12.05.20)

40-88 Forrester Road, St Marys NSW 2760

-  \$105 net psm lettable area
-  5 Years
-  \$581,700 p.a.




Window-blind material manufacturer *Shaw Fabrics* has leased 5,540 sqm of warehouse accommodation in the *Stockland* owned industrial facility. *Shaw Fabrics* will lease the space on an **initial net rent of \$105 psm lettable area** over a **five year** term, equating to an **annual rent of \$581,700**. (AFR 19.05.20)

Unit 2, 10 Hill Road, Lidcombe NSW 2140

-  \$180 net psm lettable area
-  3 Years
-  \$146,880 p.a.

An 816 sqm office/warehouse unit in Sydney's west has been leased by interior acoustics firm, *A&A Studios* on a **three year** lease term. The firm were attracted to the property's street exposure and ability to receive early access to complete their fit out. The deal was completed on a **net rate of \$180 psm of lettable area**, equating to **\$146,880 per annum**. (AFR 12.05.20)

21 Chifley Street, Smithfield NSW 2164

-  \$5.9 million
-  5.43% Yield
-  \$4,925 per sqm lettable area

An office, warehouse and workshop occupied by a container handling company has sold to a private investor for **\$5.9 million**. The 1,198 sqm property sold via an expressions of interest campaign on a **yield of 5.43%** and a **rate of \$4,925 psm of lettable area**. The property is situated on a 6,788 sqm site with future development upside. (AFR 07.05.20)

**9 Sheridan Close,
Milperra NSW 2214**



\$6.5 million

\$2,997 per sqm lettable area

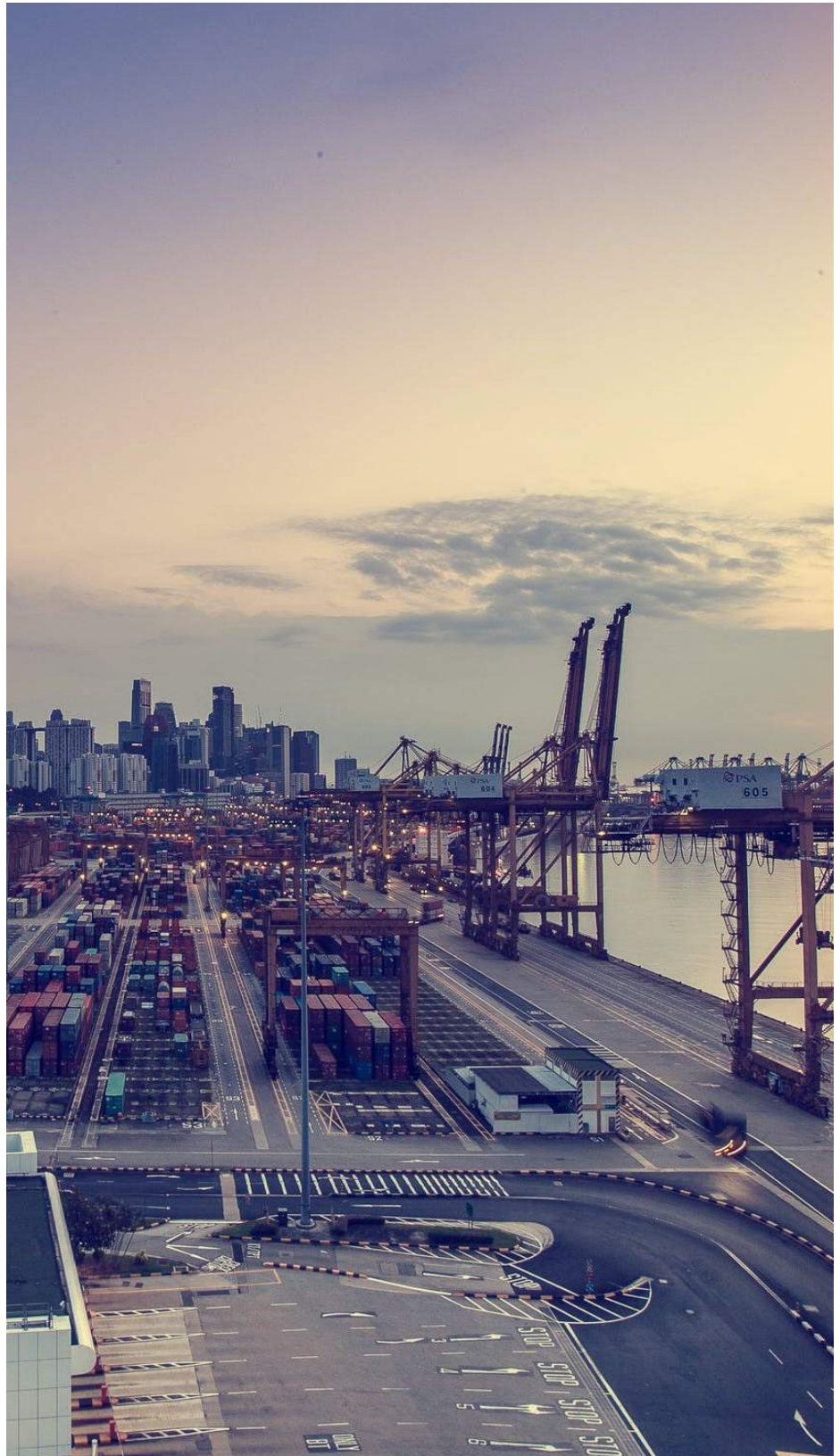
Icon Foods has acquired a former chicken processing facility west of the Sydney CBD for **\$6.5 million**. The property, which was taken to market by receivers through an expression of interest campaign attracted 13 formal offers. The 2,169 sqm warehouse sold on a **rate of \$2,997 psm lettable area**.
(AFR 28.05.20)

**1669-1677 Beenleigh Road,
Underwood QLD 4119**

\$26 million

\$266 per sqm site area

VIMG has acquired the former Australia Post Queensland distribution centre in a **\$26 million** deal. The property comprises a 24,738 sqm industrial facility standing on a 9.78-hectare site. *VIMG* has lodged a development application for a project that will include medium density residential housing, aged care, commercial, retail and medical uses. The deal was completed on a **rate of \$266 psm of site area**.
(AFR 14.05.20)





Residential Dev

154 Bens Road, South Yunderup WA 6208

\$19.69 million

\$36,736 per hectare

Melbourne based land developer *Wolfdene* has made its first interstate purchase through the acquisition of a 636-hectare residential development site from *Nigel Satterley*. The site comprises 430 hectares of zoned land and 206 hectares of unzoned land. The property, which has been on the market since August 2018 sold for **\$19.69 million**, representing a 40% discount to the initial asking price of \$33 million. The land is part of the Austin Lakes Estate, which includes a primary and secondary school, shopping centre, medical centre, a lake and adventure park. The deal was completed on a **rate of \$36,376 per hectare**.

(AFR 06.05.20)

Residential

46 Seaview Terrace, Surfers Paradise QLD 4567

\$17 million

\$13,077 per sqm site area

A seven-bedroom mansion overlooking Sunshine Beach has sold for **\$17 million**, \$3 million less than the original asking price. The transaction marks the second time the property has sold in the past 30 months. The house stands on a 1,300 sqm block of land and comprises seven bedrooms, five bathrooms, a 12-metre pool and garage space for three car spaces.

(AFR 28.05.20)

2-4 Martin Street, Brighton VIC 3186

\$19.8 million

\$12,000 per sqm site area

John Bongiorno, a veteran of the Melbourne real estate industry has sold his four-bedroom, three-bathroom house for **\$19.8 million**. The property stands on a 1,650 sqm block over two titles and comprises a tennis court and separate outhouse. The deal for the property was agreed to in March and has recently settled.

(AFR 29.05.20)





Specialised Prop. Rural

10 Ferdinand Lane, Jerrabomberra NSW 2619

\$6.85 million

4.8% Yield

Service Station

A private investor has acquired a newly developed service station leased to 7-Eleven for **\$6.85 million**. The property, which was due to go to auction in late June sold prior on a **yield of 4.8%**. The property sold with a 15-year lease in place to 7-Eleven and two further five year options extending to 2045. The property is situated adjacent to a McDonalds, KFC and Aldi.

(AFR 14.05.20)

Narwietooma, Derwent and Glen Helen Station, NT 0872

\$38.5 million

\$68 per hectare

Hale River Holdings, owned by Tim and Emily Edmunds from Napperby Station has settled on a **\$38.5 million** deal for neighbouring Narwietooma, Derwent and Glen Helen Stations. The three cattle stations cover 565,800 hectares of land, representing a rate of **\$68 per hectare** on the sale. Together the land accumulated by the Edmunds family has an estimated carrying capacity of more than 40,000 head of cattle with the ability to increase by another 10,000 head with infrastructure development. The properties, which are located about 165 km west of Alice Springs are situated below the cattle tick zone and in a blue-tongue free zone.

(AFR 18.05.20)





**Preston
Rowe
Paterson**

Our Research

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

We have **property** covered.

We have **clients** covered

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

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

We have **real estate** covered

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

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

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

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

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

We have your **needs** covered

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

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

We have all **locations** covered

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



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Asia-Pacific Region

Associated office networks throughout:

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<http://www.appraisalchina.com/>

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

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

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





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