



**Preston  
Rowe  
Paterson**

National 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, hotel and leisure market, residential market and property fund capital raisings.

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

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

## NOVEMBER 2013

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## Sales

### Commercial

#### 3350 Pacific Highway, Springwood, QLD 4127

A private investor has purchased a **9,525 sqm** office building in Queensland for **\$11.3 million**. The property comprises a commercial building with 7 levels and a 124 bay car park and a separate retail building. The property was purchased on a **yield of 7.4%**. Springwood is situated approximately 20 km south-east of Brisbane's CBD.  
[AFR 07/11/2013]

#### Office Civic Centre, VIC

The Cardinia Shire Council has outbid private investors and purchased the Office Civic Centre for **\$25 million**, after originally committing to lease it for 15 years. The **5,000 sqm** four storey, A-grade building with a 5 Star Green Star energy rating is located around 50 km south-east of the Melbourne CBD, in the Casey Cardinia growth corridor. The centre will be developed into a mixed use precinct including medium-density housing, retailing, an aquatic centre, library, community hall, cafes, restaurants and a cinema complex. Under the initial lease agreement the council would have paid an annual gross rent of \$2.19 million with 3% yearly increases. The building stands on an 8,000 sqm site comprising 200 car parking spaces. The sale displays a **building rate per sqm of \$5,000**.  
[AFR 11/11/2013]

#### 177 Pacific Highway, North Sydney, NSW 2060

Leighton Properties has sold a **40,000 sqm** office building for **\$413.9 million** to Singaporean Trust Suntec REIT. The sale represented a **yield of 6.89%** and reflected a **rate of approximately \$10,500 sqm**.  
[AFR 18/11/2013]



#### 260-300 Elizabeth Street, Sydney, NSW 2000

Centennial Plaza in the Sydney CBD has sold for **\$320 million** to a Chinese Investment Corporation. The building comprises **53,635 sqm** of office space over 11 levels and reflects a **rate per sqm of \$5,966**. The property was sold on a **yield of 8.20%**.  
[CPM 01/11/2013]



### Industrial

#### 1-11 Smeaton Grange Road, Smeaton Grange, NSW 2567

A **27,000 sqm** industrial complex has been purchased by a private investor for **\$27.5 million**. The complex consists of six industrial units ranging from **1,143 sqm to 9,138 sqm** and two freehold warehouses with offices. The complex was purchased on a **yield of 10.8%** and is leased to various tenants with a WALE of 6 years. Smeaton Grange is located approximately 50 km from Sydney's CBD.  
[AFR 05/11/2013]

#### 29 Glendenning Road, Glendenning, NSW 2671

The Fife Capital managed Australian Industrial REIT has paid **\$29.5 million** for an industrial property in Sydney's West. The property was sold on a **yield of 7.9%** and is fully leased to Green's General Foods for a 15 year term. Glendenning is around 35 km west of the CBD.  
[The AU 14/11/2013]

#### 16-18 Lionel Road, Mount Waverley, VIC 3149

A vacant office and warehouse facility in Mount Waverley has been sold at auction for **\$5.05 million**. The **4,809 sqm** property was highly sought after given its proximity to the Monash Freeway. The sale displays a **rate per sqm of approximately \$1,050**.  
[AFR 21/11/2013]



### Retail

#### 75 Lynbrook Boulevard, Melbourne, VIC 3000 & Major Innes Road, Port Macquarie, NSW 2444

Australian Opportunities fund has purchased two neighbourhood shopping centres in Victoria and NSW for **\$47.5 million**. Lynbrook Village in Victoria was purchased for **\$30 million** and Lakes Innes Village in New South Wales was purchased for **\$17.5 million**. The shopping centres were purchased on **yields of 8% and 7.5%** respectively and are anchored by Coles Supermarkets with WALE of 9 and 14.6 years respectively.  
[AFR 05/11/2013]

#### 52-74 Fitzroy Street, Grafton, NSW 2460

A syndicate of private investors has purchased the **4,422 sqm** Grafton Mall in northern NSW from APN Funds Management's Regional Property Fund. The syndicate paid **\$10.55 million** with a **yield of 8.43%**. The centre comprises 15 specialty shops, with Coles Supermarket the anchor tenant. Grafton is located approximately 613 km north-east of Sydney.  
[AFR 27/11/2013]



### Residential

#### Development Site, Melbourne, VIC 3000

Stockland has purchased **108 hectares** of residential land from Places Victoria for **\$57.5 million**. The site is located in Melbourne's north next to the Highlands community and is suitable for 1,200 homes. This shows a **rate per proposed allotment of \$47,917**.  
[AFR 01/11/2013]

#### 84 Spring Street, Melbourne, VIC 3000

Grocon, Australia's largest private developer has purchased a prime **1,241 sqm** CBD residential development site for **\$45 million**. There is currently a 16-storey office tower on the site. No further details were released.  
[AFR 01/11/2013]

#### 87 Bay Street, Glebe, NSW 2037

Property developers Denwol and Oakstand have purchased a **6,555 sqm** industrial site with master plan approval for 200 apartments, 20 affordable housing units and 4,000 sqm of retail and commercial space for over **\$50 million**.  
[AFR 04/11/2013]

**Melbourne Sales Wrap, Southbank, VIC 3006**

A Chinese developer has purchased a site in Southbank, Melbourne for **\$6.9 million**. The sale came with a permit for a two tower apartment project. No further details were released.

[AFR 08/11/2013]

**Station Street, Nunawading, VIC 3131**

AusGroup has paid **\$21.7 million** for the Robertson brickworks site in Nunawading in Melbourne's outer east. The property was owned by Knight Frank's Michael Hede and Ken Smirk for the Robertson family since the 1920's. It is expected to be rezoned to allow for residential development as part of Whitehorse City Council's Mega Mile structure plan. No further details were released.

[AFR 08/11/2013]

**Doncaster, VIC 3108**

Singaporean developer Chip Eng Send has purchased a residential development site in Melbourne's Doncaster for **\$19.28 million**. The company is planning to develop the site which will include approximately 90 townhouses and 50 apartments. Doncaster is situated around 18 km north-east of Melbourne's CBD.

[The AU 28/11/2013]

**Rural**

**Dukes Plain, Theodore, QLD 4719**

Origin has purchased the **7,900 hectare** Dukes Plain Cattle Station for **\$6 million**. The property will be used to offset the environmental impacts of its export project, which includes gas wells, pipelines and processing plants'. The sale displays a **rate per hectare of approximately \$759**.

[AFR 18/11/2013]

**Victoria Sales Wrap**

Australian Trust, managed by Laguna Bay Pastoral and backed by Swiss, Danish and United States fund managers purchased **12,000 hectares** of almond groves in Northern Victoria for more than **\$200 million**. This is the biggest agricultural transaction since the settlement of Inghams for \$870 million earlier this year. No further details were released.

[AFR 15/11/2013]

**Specialised Properties**

**8 Herbert Street, St Leonards, NSW 2065**

The Australian Unity Healthcare Property Trust has purchased a medical technology facility for **\$38.5 million** on an initial **yield of 9.8%**. The facility is located approximately 8 km north of the CBD.

[AFR 26/11/2013]



**Hotel/Leisure**

**Coral Coast Drive, Palm Cove, QLD 4879**

Listed Singaporean hotel operator Hotel Grand Central has purchased the Novotel Palm Cove for **\$10 million**. Palm Cove is located north of Cairns in Queensland. The purchase price of the property was said to be low displaying a **rate per hotel room of \$71,429**.

[AFR 13/11/2013]

**60 Royal Street, East Perth, WA 6004**

An offshore investor has purchased The Sebel Residence East Perth for **\$19.2 million**. Forming part of a larger mixed use development, the hotel includes 57 guest rooms, a gymnasium and conference room and has serviced apartments booked by tourists and corporate stayers. The property overlooks the Swan River and Claisebrook Cove. No further details were released.



[The AU 14/11/2013]

**Leasing**

**Commercial**

**3 Westmoreland Boulevard, Springwood, QLD 4127**

Evocca College has relocated to a three level office building in Springwood. The vocational training group will lease **1,288 sqm** of office space at a **net annual rental of \$409,000 p.a.** plus outgoings reflecting \$317 per sqm. Evocca College has **multiple 5 year options** on its lease.

[AFR 05/11/2013]

**611 Flinders Street, Melbourne, VIC 3000**

Compass Offices, Hong Kong's largest serviced office operator has leased two floors at Tower 4 of the World Trade Centre in Melbourne. The lease of the **1,466 sqm** floors has an **annual rental of \$1 million**, displaying a **rate per sqm of approximately \$682**. The lease is on a **term of 10 years**.



[The AU 14/11/2013]

**Southpoint Development, Southbank, QLD 4101**

Travel retailer Flight Centre has leased **20,000 sqm** of A-grade commercial space in the Southpoint Development. Flight Centre have agreed to a **10 year lease** due to commence sometime in 2016. No further details were released.

[AFR 21/11/2013]

**Industrial**

**43 Proprietary Street, Tingalpa, QLD 4173**

Apex Display has leased a **1,464 sqm** office and warehouse property for a **3 year term** at a **gross rental of \$185,000 p.a.** This reflects a **rate per sqm of \$126**. Apex will also build a 150 sqm showroom plus more offices on a mezzanine in the warehouse.

[AFR 05/11/2013]

**4/310 Ferntree Gully Road, Notting Hill, VIC 3168**

7-Eleven has leased a **1,728 sqm** industrial property in Melbourne's south-east. The property is divided into 1,192 sqm of office space and 536 sqm of warehouse space. 7-Eleven is reported to be paying a **net rental of \$175 per sqm** which reflects **\$302,400 p.a.**

[AFR 12/11/2013]

**2/254 Toongabbie Road, Girraween, NSW 2145**

Pipeline renewal specialist Interflow has leased a **6,647 sqm** warehouse facility which is divided into 2,241 sqm of warehouse space and a 4,406 sqm yard. The property has been leased for a **10 year term** at an **annual net rental of \$322,655** reflecting a **rate per sqm of approximately \$45**.

[AFR 12/11/2013]

#### Development Site, North-West Sydney, NSW

Sydney Developer Sakkara has purchased the Riverstone site, known as the North West Development Hub in Sydney's north-west. The sale included a proposed industrial development expected to have an **end value of \$1 billion**. Located around 40 minutes from the CBD, the site is **228 hectares with 134 hectares zoned for industrial and employment use**. No further details were released.

[The AU 14/11/2013]

#### 27 Quill Way, Henderson, WA 6166

Listed engineering giant UGL have purchased a workshop and office building in the Perth suburb of Henderson, located 11 km north-east of the CBD. The property is situated in an industrial area and spans more than **14,000 sqm**. The office component of the property has been fully refurbished while the workshop has been fully re-sheeted and had two new 10 tonne gantry cranes installed. UGL have signed a **5 year lease**, paying a **gross rent of \$665,000 p.a.** displaying a **rate per sqm of approximately \$47**.

[AFR 19/11/2013]

#### 44-46 Berkshire Road, Sunshine North, VIC 3020

Flawless Construction Group has signed a **3 year lease** for a warehouse in Melbourne's west, located around 12 km from the CBD. The warehouse spans more than **3,937 sqm** and displays a **net annual rent of \$175,000** reflecting a **rate per sqm of around \$44** with outgoings of \$29,700. The lease includes multiple options after the initial three year period finishes in 2016.

[AFR 19/11/2013]



#### Units 1 & 2/20-36 Nancarrow Avenue, Meadowbank, NSW 2144

Ryde Motor Group has leased two industrial units in Sydney's western suburbs. The lease of these two units which total **3,794 sqm**, displays a **rate per sqm of \$85**. Unit 1 is leased on a **term of 11 months** and Unit 2 on a **term of 1 year 8 months**. The units are conveniently located within minutes of the group's showroom. Meadowbank is located around 15 km west of the Sydney CBD.

[AFR 19/11/2013]

## Retail

#### 29 Cavill Avenue, Surfers Paradise, QLD 4217

Apparel retailer Cotton On Mega will move to a new three level store in Surfers Paradise, Queensland. With one of the largest retail lease deals in Surfers Paradise in two years.

The company have leased a **1,692 sqm** property paying **approximately \$700 per sqm** on a **10 year lease**.

[AFR 19/11/2013]



#### 66 Queen Street, Brisbane, QLD 4000

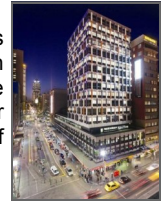
International fashion retailer Forever 21 will open its first Australian store in the former Lennons Plaza now being redeveloped by SilverNeedle. Forever 21 will lease two floors totalling to **1,900 sqm** in the new development with a deal said to be worth about **\$3 million a year**. The new store will be situated at the top end of the Queen Street Mall which receives over 26 million visitors each year. The lease displays a **rate per sqm of approximately \$1,579**.

[AFR 21/11/2013]

#### 276 Flinders Street, Melbourne, VIC 3000

National Fitness Group Fitness First has leased **3,420 sqm** of space over 2 levels in Melbourne's CBD. The lease will be the group's largest CBD tenancy. The lease is for a term of 10 years at a net annual rental of **\$500 per sqm** reflecting **\$1,710,000 p.a.**

[AFR 26/11/2013]



#### 17 Stoney Way, Derrimut, VIC 3030

Gymnasium equipment group Leisure Concepts Australia will lease a **2,000 sqm** industrial facility in the rural-urban fringe of Melbourne. The property has offices over two levels with three roller doors. The lease is for a **3 year term** at a **gross rental of \$75 per sqm**.

[AFR 26/11/2013]



## Capital Raisings

#### \$75 million Capital Raising

Abacus Property Group has raised **\$75 million** to fund future property acquisitions. The equity was raised from institutional and sophisticated investors at \$2.24 per security.

[AFR 13/11/2013]

#### \$18 million Capital Raising

Generation Healthcare REIT has launched an **\$18 million** capital raising to fund the development of a medical complex in Melbourne's outer eastern suburb of Berwick.

[The AU 14/11/2013]

## Our Research

At Preston Rowe Paterson, we pride ourselves on the research which we prepare in the market sectors within which we operate. These include Commercial, Retail, Industrial, Hotel & Leisure and Residential 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 central office location within the Sydney Central Business District we serve our clients' needs throughout the Sydney CBD, greater Sydney metropolitan area, throughout the state of New South Wales. For special purpose real estate asset classes, infrastructure, and plant & machinery we operate throughout Australia and globally either directly or through our relationship offices.

## **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

Melbourne

Sydney

## Regional Offices

Albury Wodonga

Ballarat

Bendigo

Cairns

Central Coast/Gosford

Geelong

Gold Coast

Gippsland

Mornington

Newcastle

Wagga Wagga

## Relationship Offices

Canberra

Darwin

Hobart

Perth

Other regional areas