



Preston
Rowe
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International Property Consultants

TRANSACTIONS IN REVIEW

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 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, 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.

SEPTEMBER 2018

Inside this Issue

Sales and Leases

- Commercial Page 2
- Retail Page 3
- Industrial Page 5
- Residential Development Page 6
- Residential Page 7
- Rural Page 7
- Specialised Properties Page 8
- Hotel and Leisure Page 8

About Preston Rowe Paterson Page 9

Contact Us Page 10



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Commercial

400 Kent Street, Sydney, NSW 2000

Credit Suisse has doubled their initial investment on a western-corridor commercial asset, selling it to a private Hong-Kong based family fund for **\$120 million**. The 11-storey, A-grade building was picked up in 2014 by Credit Suisse for \$58 million from Charter Hall. After securing a solid 14.7 year lease from **Central Queensland University** this year, Suisse decided to capitalise on the short supply of quality investments on the market and divest the asset. The sale was done so on a **yield of 4.5%**, reflective of a persistently tight market in the CBD. *Longbow Holdings* picked up the 10,041 sqm building with 420 sqm of retail and 10 basement parking spaces on a **rate of \$11,471 psm of lettable area**. (AFR 26.09.18)

171 Sussex Street, Sydney, NSW 2000



Financial technology firm *Autumn Compass* will move into **One Wharf Lane**, having signed a new **five year** lease for a 480 sqm office space. The group will pay **\$1,050 per sqm** for the space, equating to **\$504,000 net p.a.** The newly constructed building has views over Darling Harbour and is in a thriving part of the Sydney CBD, with Barangaroo, the Convention Centre and the new Hyatt Regency sparking life into the region. One Wharf Lane is proudly managed by Preston Rowe Paterson. (AFR 25.09.18)

1 King Street, Fortitude Valley, QLD 4006

Abacus Property Group and global fund manager *Heitman* have teamed up to acquire the **K1 building** in Brisbane's inner north for **\$170 million**. *Impact Investment Group* turned a tidy profit off the building, having bought it in 2015 for \$130 million. The building was completed in that same year, having been built by **Lendlease** with a 6-star NABERS energy rating. Lendlease still occupy the majority of the building on a long-term lease, whilst other tenants include **Ezidebit** and **Vita Group**. The sale was done on a **yield just over 6%** and at a **rate of approximately \$10,241 psm lettable area**. Fortitude Valleys is located 2 km north of Brisbane's CBD. (AFR 03.09.18)

60 Collins Street, Melbourne, VIC 3000

The *Reserve Bank of Australia* has sold its headquarters in the 'Paris end' of the Victorian Capital for **\$160 million**, well exceeding initial expectations of \$100 million. The RBA has put its money where its mouth is with this sale, following their warnings to commercial property owners of a "frothy" market near its peak. The buyer, *Dexus*, won't be too concerned though, because this property adjoins another strategic holding at 52 Collins Street, giving Dexus a mega site area capable of over 35,000 sqm of new commercial office space, likely to be seized upon in the next supply cycle. The building's floor area of 13,817 sqm gives this sale a rate of **\$11,560 psm lettable area**. (AFR 19.09.18)



383 La Trobe Street, Melbourne, VIC 3000

Mirvac has picked up a seven-storey commercial office tower in Melbourne for **\$122 million** with plans to demolish the building to make way for a commercial building of up to 70 storeys and with 40,000 sqm of new commercial floor space. In the short-term, the existing 9,679 sqm building will provide holding income from its primary tenant, **the Australian Federal Police**, the sale generating a **5.7% yield** on income. A residential development of 70 storeys was approved two years ago by City of Melbourne Council and Mirvac will now attempt to change the proposed usage to office space, despite some industry figures speculating of an impending oversupply in Melbourne's commercial market. The deal was struck at **rates of \$43,568 psm of site area** and **\$12,605 psm of lettable area**. (AFR 04.09.18)

941-947 Whitehorse Road, Box Hill, VIC 3128

Despite growing commentary surrounding the withdrawal of Chinese money from Australian property, a development site auction in Melbourne's eastern suburbs was hotly contested recently by an almost entirely Chinese crowd who pushed the price beyond everyone's expectations. The 917 sqm site with three established retail tenants sold under the hammer for **\$13.3 million**. The suggested first bid was \$7 million, which was promptly smashed by an opening bid of \$10 million. "Everyone thinks there's no money coming out of China. They're obviously wrong" said an agent from CBRE. The sale puts a **rate of \$14,504 psm of site area** on the property. Box Hill is located 15 km east of Melbourne's CBD. (AFR 04.09.18)



115 Batman Street, West Melbourne, VIC 3003

A four-level office building on the fringe of Melbourne's CBD has been picked up by financial services group *IOOF* for **\$22.1 million**. The building, situated on an 853 sqm island site, is a factory conversion carried out in 2009, which extended the two storey building to four and fitted the internal area with modern, trendy office accommodation with exposed building services and brickwork. The building is fully leased to high-quality tenants **Norman Disney & Young** and **Probuild** with the building generating \$1,154,006 net per annum. The neighbouring property is undergoing a 27-storey development, giving this sale excellent underlying land value, especially when considering its island positioning. The deal concluded at a **rate of \$7,918 psm lettable area** and at a **return of 5.22% p.a.** West Melbourne lies 1.8 km west of the CBD. (AFR 05.09.18)

105 York Street, South Melbourne, VIC 3205

Media magnate, entrepreneur and humanitarian *Harold Mitchell* has sold his former business headquarters for **\$49 million**. The c.2010 five storey, state of the art commercial building has clear span floor plates and views across Melbourne's CBD. Mitchell financed the construction of the building himself to use for his former advertising business Mitchell Communications Group. He sold the business to **Dentsu Aegis Network** afterwards, who will continue to occupy the building until 2021. The 5,101 sqm building sold on a **record rate for the suburb of \$9,606 psm lettable area**. South Melbourne is located 2.4 south of the CBD. (AFR 13.09.18)



12 Lakeside Drive, Burwood East, VIC 3151

Asian investors are being lured beyond the city fringe commercial markets by solid lease terms and underlying land values, as evidenced by the sale of the **VicRoads** building in Melbourne's eastern suburbs for **\$25.5 million**. The *Myer family* pocketed a \$9.5 million capital gain on the property they bought in 2013. The 4,509 sqm building was purpose built for VicRoads in 1996 on a 1.71 hectare site and has a renewed lease until 2021, giving this sale a **6.44% yield** on purchase price. The property, located in **Tally Ho Business Park**, gives a **rate of \$5,655 psm lettable area**, 41% higher than the average price per metre of the last three sales in the complex, indicative of the high value these investors are placing on government tenants, despite the relatively short term lease expiry profile. Burwood East lies 18.4 km east of Melbourne's CBD. (AFR 20.09.18)

Retail

18 John Oxley Drive, Port Macquarie, NSW 2444

A private developer has sold an under-construction **Bunnings Warehouse** to property fund manager *MPG* for **\$44.65 million** in an off-market sale. The deal was done on a fund-through basis, with the development already underway and expected for completion in Q1 2019. The development will comprise 18,000 sqm of the Bunnings Warehouse facility and 2,400 sqm of large format retail space, giving this sale a **rate of \$2,189 psm of lettable area**. The deal was struck on a **"blended yield" of 5.64%**. Port Macquarie is positioned on the mid north coast of NSW, around 379 km north east of Sydney. (AFR 26.09.28)

437 Young Street, Albury, NSW 2640

Multi-millionaire *Andrew Muir* has had a change of heart and decided to sell his **Good Guys** store in Albury for **\$5.18 million**. Muir sold the business side of The Good Guys in 2016 to JB Hi-Fi for \$870 million and retained the freehold property behind the business for later divestment. The portfolio of properties recently sold for \$150 million which initially left the Albury store off the market; however the family later decided to sell the asset. The site has a prominent position in the NSW/Victoria border town, near the train station on a 5,128 sqm corner lot. The 2,910 sqm showroom building is leased to The Good Guys on a five plus five year lease, currently generating a net annual rent of \$448,160 p.a., giving this sale an **8.65% net yield**. As a rate, this property sold for **\$1,780 psm lettable area**. Albury is located on the border of NSW and Victoria, 550 km south west of Sydney. (AFR 19.09.18)

1183-1187 The Horsley Drive, Wetherill Park, NSW 2164



A dual shopping centre offering in Western Sydney has sold for **\$112.4 million**. The **Greenway Plaza** and **Homemaker Greenway** present as a large format retail

shopping centre (containing tenants such as **Supercheap Auto** and **Officeworks**) wrapped around a 'traditional' shopping centre with **Red Rooster** and **Gusman y Gomez** pad sites, an **Anytime Fitness** as well as fruit and meat grocers. It sold on a **7.64% yield**, a sign of the fading investor demand for large format retail assets. *Altis Property Partners* sold the asset to *Aventus Property Group* at a **rate of \$3,842 psm floor area**. Wetherill Park lies 31.9 km west of Sydney's CBD. (AFR 20.09.18)



660 Beeliar Drive, Success, WA 6164



Success Early Learning has taken out a **15 year** lease of a bulky goods retail shop in South Perth for **\$252,000 net per annum**. The 837 sqm space has a rear roller door, kitchenette and a yard. The long day care provider will pay a **rate of \$301 psm of lettable area** for the space to landlord *6154 Nominees Pty Ltd*. Success is located approximately 27 km south of Perth's CBD. (AFR 25.09.18)

283-285 Burwood Road, Hawthorn, VIC 3122



A Chinese investor has beaten 191 other enquirers for a large format retail asset in Melbourne's east, paying **\$25 million** on a sharp **3.14% yield**. The sale is certainly eye-catching, coming at a time when there is mounting evidence of a softening large format retail sector. There is no doubt, however, that the land component of this sale occupies a large portion of value. The property occupies a 2,593 sqm slice of real estate in Central Hawthorne, has 143 metres of combined frontage on a triple sided site and is zoned Commercial Zone 1. The 4,427 sqm building is fully leased to **Snooze, Sofas Direct** and **National Storage**. It sold at a **rate of \$5,647 psm lettable area**. Hawthorn is located 7 km east of Melbourne's CBD. (AFR 26.09.18)

485 Main Road, Evanston, SA 5116

A 3.74 hectare large format shopping centre in outer northern Adelaide has sold for **\$25 million**. It contains tenants such as a standalone **Woolworths** service station, **Dominos**, **BCF** and **Super Cheap Auto** and services the mid-north region of the Barossa Valley. It contains 13,063 sqm of lettable area and parking for some 435 vehicles. Selling agents estimated that fully leased annual income could reach \$2.9 million, giving this sale an 11.6% yield on that basis - reflective of the broader investor uncertainty surrounding bulky goods retail, as online shopping penetrates further into this field. The deal was done at a **rate of \$1,914 psm of lettable area**. Evanston lies 40 km north of Adelaide.



(AFR 03.09.18)

487-495 Bridge Road, Richmond, VIC 3121

A single storey retail showroom building on the eastern CBD fringe has sold to an Asian syndicate for **\$14.8 million**. The 1,658 sqm site has a lease to multinational homewear provider **Adairs** generating a combined \$422,282 p.a., revealing a **yield of just 2.85%**. The site has 50 metre frontages to both front and rear and an on-grade car park for some 20 vehicles. This property has significant future development prospects. The property sold at a **rate of \$13,040 psm lettable area**. Richmond lies 3.8 km east of Melbourne's CBD. (AFR 20.09.18)

146 Little Collins Street, Melbourne, VIC 3000

The Blow Australia, a new entrant to the hair salon market from the US, has found a 50 sqm retail space in Melbourne's CBD to open its first store. The business will pay a **gross annual rent of \$90,000** for a term of **five years** with options to a private landlord. This equates to a **rate of \$1,800 psm of lettable area**. (AFR 04.09.18)





Industrial

488-490 Victoria Street, Wetherill Park, NSW 2164



A progressive investment strategy has seen billionaire *Bob Ell* of *Leda Holdings* pocket **\$18.13 million** from the sale of a vacant warehouse, reflecting an 18% gain over a one year holding period. Having seen the increasing demand for large-scale industrial property from owner-occupiers, Ell bought the warehouse and let the lease run for 12 months to then sell it again a year later to an international pharmaceutical group who will partially occupy and lease the remaining space. The warehouse contains 11 on-grade roller shutter doors, all-weather loading awnings, 6.7 to 9 metre clearance spread over 8,795 sqm of building area and on a 2.086 hectare site. The sale reflects a **rate of \$2,061 psm of lettable area**. Wetherill Park is positioned 31.9 km west of Sydney's CBD.

(AFR 11.09.18)

28-54 Percival Road, Smithfield, NSW 2164

Lendlease's *Australian Prime Property Fund Industrial* has picked up the **Smithfield Exchange** industrial complex as part of a larger acquisition spree. The fund picked up the multi tenancy site for **\$44.8 million** on a **net yield of 5.82%**. The site is fully leased with a 5.6 year WALE and contains 24,100 sqm of building area on a 5.52 hectare site. The asset was purchased alongside two Melbourne properties, as part of the fund's strategy to diversify its tenant base and acquire future development/growth sites. The sale concluded at a **rate of \$1,859 psm of lettable area**. Smithfield lies 28.9 km west of Sydney's CBD.

(AFR 12.09.18)

Unit 3, 562 Gardeners Road, Alexandria, NSW 2015

Pioneer Prints have expanded into a 828 sqm warehouse unit in South Sydney, securing a **three year** lease with options with a private landlord. The group will pay **\$180 psm net per annum**, equating to **\$149,040 per annum**. Alexandria lies 3.9 km south of Sydney's CBD.

(AFR 25.05.18)

12 Millennium Court, Silverwater, NSW 2128

GPI Automotive will re-locate to a larger office and warehouse site in Sydney's mid-west, having secured a 1,404 sqm space on a **five year** lease with landlord *E & D Corp*. The site is broken down into 1,107 sqm of high-clearance warehouse space, 222 sqm of modern first floor office accommodation and a 74 sqm lunch room, whilst there is parking for 19 vehicles. GPI will pay **\$226,044 net per annum** or **\$161 psm of lettable area**. Silverwater is 18.6 km west of Sydney's CBD.

(AFR 04.09.18)

2 Hereford Street, Berkeley Vale, NSW 2261

Industrial developer *Living Developments* will upgrade and re-lease an industrial facility on the Central Coast, having just purchased the building for **\$9 million**. The building has 5,635 sqm of warehouse space, 3,111 sqm of office area and 198 car spaces situated on a 2.15 hectare site with three frontages and high exposure. The deal reflects a **rate of \$1,029 psm of lettable area**. Berkeley Vale is positioned approximately 80 km north east of Sydney.



(AFR 27.09.18)

60-62 Huntingwood Drive, Huntingwood, NSW 2148

Owner-occupier *Aunew Investments* has paid *Sony Music Entertainment* **\$25.1 million** for their former DVD, CD and Blu-ray manufacturing plant in Western Sydney. The building contains 16,686 sqm of office/warehouse space and production areas. It features extensive air conditioning, substantial power supply through on-site generators and water treatment plants. Sony will close production after 25 years of business on the 2.73 hectare site. The sale reaches a **rate of \$1,504 psm of lettable area**. Huntingwood is located 33.6 km west of Sydney's CBD.

(AFR 20.09.18)





17-21 Gaine Road, Dandenong, VIC 3175

Demand for south-eastern industrial property continues to remain strong, with a private investor picking up a high quality 4,020 sqm warehouse/office building in the **Quantum Industrial Park** for **\$5.715 million**. The site has a substantial hardstand, two gantry cranes and 63 parking bays, whilst the warehouse has an eight metre minimum internal clearance. The property is leased to **Australian Roll Forming**, with the income generating a **6.2% yield on purchase price**. The deal was carried out at a **rate of \$1,422 psm lettable area**. Dandenong lies 31.3 km south east of Melbourne's CBD.

(AFR 06.09.18)

23 Scanlon Drive, Epping, VIC 3076

Frasers Property Australia has sold a 12,361 sqm warehouse and office asset for **\$15.7 million** after assessing it as surplus to the business' requirements. A private investor picked up the site on a **6.2% yield**. It has a new six year lease in place to **Criterion Industries** with options until 2032. The building has 8.5 metre clearance, five roller shutter doors and parking for some 140 vehicles, whilst the 2.43 hectare site sits close to the Melbourne Fruit and Vegetable Market and stands to benefit from an upgrade to the CityLink Tullamarine Freeway which is underway. The deal equates to a **rate of \$1,207 psm lettable area**. Epping is located 19 km north of Melbourne's CBD.

(AFR 13.09.18)

508-520 Wellington Road, Mulgrave, VIC 3170

Pomeroy Pacific, a family development company, will take the reigns over a 4.11 hectare site in south-east Melbourne, having paid **\$30.5 million** to the *Makhmalbaf family*. The vendor has doubled their money since purchasing the property for \$15.5 million only 18 months ago, reflective of the dearth of quality sites in established suburbs. The new owners say they are planning a new industrial development on the site, once the lease to **Renold Australia** expires in March 2020. The sale equates to a **rate of \$742 psm of lettable area**. Mulgrave is 23 km south east of the Melbourne CBD.

(AFR 27.09.18)

692 Curtin Avenue, Pinkenba, QLD 4008

Following the departure of Brisbane Motor Auctions/AP Eagers, industrial property landlord *Darveniza Group* has subdivided and leased out its single inner-city industrial property into four separate tenancies. One of these leases is to transport and freight company *Greyhound Australia* who agreed to a **five year** lease with options over a 2,572 sqm warehouse and office space, situated on a 1.1 hectare site. The new tenant will pay **\$407,200 net per annum** for the space, equating to a **rate of \$158 psm lettable area**. Pinkenba is positioned 12.3 km north east of Brisbane's CBD.

(AFR 04.09.18)

Residential Development

30-32 Guess Avenue, Wollri Creek, NSW 2205

An overseas financier has called an apartment project in South Sydney into receivership, resulting in the sale of a site for **\$29.5 million**. A joint venture between *Sam Fayad* and *James Zhu* (from Dydlam and Be100, respectively) stopped servicing its debt to a foreign private lender in 2015 and the JV company *NR Wollri Creek* was placed into liquidation. Developer *Level 33* has picked up the site and will complete the two tower development of 176 apartments over a 5,600 sqm site. The price reflects a settlement of \$29.5 million worth of debt to the foreign financier, giving seemingly deflated rates of **\$5,268 psm of site area** and **\$167,613 per apartment site**. Wollri Creek is located 9.8 km south west of Sydney's CBD.

(AFR 19.09.18)

85 Kurraba Road, Neutral Bay, NSW 2089



An apartment development site on the lower north shore received 12 offers before contracting for **\$20 million** to developer *Avanca*

Property. Eight apartment owners decided to sell in-one-line and realised almost triple the price they would've received had they sold individually, according to selling agents Colliers. The demand was driven by the surging popularity of spacious, quality and well located apartments from downsizing "empty-nester" couples on the lower and upper north shore. The developer will construct boutique luxury apartments on the 1,454 sqm site maximising on the harbour and bridge views. The deal was wrapped up at a **rate of \$13,755 psm site area**. Neutral Bay is positioned 4.8 km north of the Sydney CBD.

(AFR 13.09.18)

1-3 Roker Street, Cronulla, NSW 2230

Two adjoining residential unit buildings have sold in-one-line to a local developer for **\$11 million**. Ten unit owners banded together to create a 986 sqm site, suitable for a boutique 12-apartment project. The sites are nearby to the Cronulla Esplanade and will enjoy excellent ocean views. The sale posts **rates of \$916,667 per proposed apartment** and **\$11,156 per metre of site area**. Cronulla is located 26.2 km south of Sydney's CBD.

(AFR 27.09.18)



Residential

97 Ramsgate Avenue, North Bondi, NSW 2026

Three adjoining penthouse apartments on the Ben Buckler headland of North Bondi have sold after less than a week on the market for an amount understood to be **close to \$12 million**. This reflects a



record price paid for an apartment in the suburb. Retail chef *Mark McInnes* sold the apartments 'as is', with approval to extend them into the roof to create a two storey, 345 sqm penthouse with four bedrooms, three bathrooms and a terrace with uninterrupted views of Bondi Beach. The deal was done at a **rate of \$34,783 psm of floor area**. North Bondi is located 7.5 km east of the Sydney CBD. (AFR 11.09.18)

560 New South Head Road, Point Piper, NSW 2027



Technology entrepreneur and one of Australia's top 10 richest people **Mike Cannon-Brookes** has purchased **Fairwater** for **close to \$100 million**, the largest ever residential sale in Australian history. The estate was held by the *Fairfax family* empire from 1901 and was home to Lady Fairfax up until her death last year. Fairwater sits on a 1.121 hectare beachfront site in Australia's dearest suburb with views over to the Harbour Bridge. Cannon-Brookes beat his fellow co-founder of Atlassian, an international technology company, for the record house price. The latter held the record at \$71 million for the sale of the neighbouring property *Elaine*, which he paid for with cash. The sale shows a **rate of \$8,921 per metre of land**. Point Piper is located 6 km east of Sydney's CBD. (AFR 28.09.18)

Rural

758 Zanelli Road, Nagambie, VIC 2507

The **Goulburn Valley Intensive Farms** in central Victoria have been picked up by a private egg farmer for **\$10 million**. The two adjoining farms come with substantial on-site accommodation as well as farming infrastructure including 14 production sheds measuring a combined 3.36 square hectares. The new owner has reached a grower contract with a separate chicken meat processor to operate on the property. The farms, measuring a combined 147 hectares, come in at a **rate of \$68,027 per hectare**. Nagambie is positioned 122 km north of Melbourne.



(AFR 03.09.18)

473 Warburton Highway, Seville, VIC 3139

Chinese investors have traded a boutique Yarra Valley winery and events venue for **\$8.5 million**. **Wild Cattle Creek**, previously known as the Langbrook Estate, was picked up for virtually the same price as it was in 2016 when China's *Lusheng Pty Ltd* bought the 7.62 hectare property. The property is a well-known wedding and events venue with onsite accommodation for guests. The deal equates to a rate of **\$111 psm of land area**. Seville lies 52 km east of Melbourne. (AFR 17.09.18)

Dyamberin, Wongwibinda, NSW 2350

Rural Funds Group have continued their spending spree by purchasing a 1,728 hectare wagyu beef producing property in the New England region of northern NSW. The property cost RFG **\$13.4 million** and will be leased to Wagyu producer **Stone Axe Pastoral Company**, who has two other similar operations in the region, for **10 years**. The property has room for productivity improvements, meaning a high chance of rental increases in the future. The deal reflects a **rate of \$7,755 per hectare**. Wongwibinda is located approximately 560 km north of Sydney. (AFR 25.09.18)



Specialised Properties

224-232 Caroline Springs Boulevard, Caroline Springs, VIC 3023

A multi-tenancy medical centre in outer north-west Melbourne has been picked up by a local investor for **\$12.5 million** on a **yield of 4.88%**. The premium centre has tenancies to a radiologist, dentist and general practitioners with a combined rental income of \$665,189 p.a. plus parking for 42 vehicles. The site rests on a 3,135 corner allotment and has "Comprehensive Development Zoning", giving weight to a future development, especially considering the surrounding development such as the Quest Apartments opposite the property and the new railway station providing access to the CBD. The deal was done at a **rate of \$8,597 sqm of lettable area**. Caroline Springs is located 25 km north west of Melbourne's CBD. (AFR 06.09.18)

188 Tucker Road, Bentleigh, VIC 3204



A Chinese investor has seemingly cast aside concerns of a market oversupply to acquire a purpose built childcare centre in the city's south east for **\$11.7 million** on a **5.54% initial yield**. The brand new, 144 place centre is leased to **Buckets Early Learning Centre** on a new **20 year** lease. It is built on a 1,310 sqm corner site and has basement parking for 28 vehicles. It sold at a rate of **\$8,931 psm of site area**. Bentleigh is 14.3 km south east of Melbourne's CBD. (AFR 17.09.18)

28-30 Woodstock Road, Toowong, QLD 4066

A Brisbane childcare operator has acquired an historic 3,655 sqm cliff-top estate and will convert the property into a 142-place childcare centre and two residential lot subdivisions totalling 849 sqm, having received planning approval from Brisbane City Council. The buyer paid **\$5.3 million** for the estate, equating to **\$1,450 psm of site area**. The house was built c.1905 on a sprawling ridge-top property with views to the CBD. The house has six bedrooms, three bathrooms, an in-ground pool and two garages. The sale was done at a rate of **\$37,324 per placement** inclusive of the residential component. Toowong is located 4 km south west of Brisbane's CBD. (AFR 06.09.18)

20-22 Overton Road, Frankston, VIC 3199

A local investor has acquired a car dealership on the Mornington Peninsula leased to ASX-listed **AHG Group** for **\$13.25 million**. The property is on a five year, triple-net lease expiring in 2022, generating \$757,976 p.a., giving this sale a **passing yield of 5.71%**. The agent expects the dealership to stay in the property beyond the lease term due to a shortage of available space. Frankston is located 44 km south east of Melbourne's CBD. (AFR 27.09.18)

124 Waymouth Street, Adelaide, SA 5000

Singaporean investor/developer *Wee Hur* has snapped up a 1,836 sqm site in the central district of Adelaide for **\$9.275 million** for a new student accommodation development. It will be Wee Hur's second such development in the South Australian Capital after another 772-bed facility in Gray Street, due for completion in 2019. This development will provide 721-beds and will have an end value of \$90 million. The move was supported by the proposed merger of the University of Adelaide and University of South Australia, which will give scale to the city's educational offerings, in an attempt to rival other major Australian universities. The deal was done at a **rate of \$5,052 psm of site area** and **\$12,864 per proposed student room**. (AFR 11.09.18)

Hotels and Leisure

192 Wellington Parade, East Melbourne, VIC 3002

The **Pullman Melbourne on the Park** hotel has sold to Asian investors for an undisclosed price, however inside sources believe the deal to be **close to \$200 million**, which sits in line with the marketed price. The 419-room, five star hotel will join *iProsperity's* \$1.8 billion hotel portfolio which includes the Sydney, Melbourne and Brisbane Crown Plazas. The group say they are targeting \$10 billion of assets under management by 2020. Canadian real estate firm *Brookfield* sold the property in one of the biggest hotel deals of the year, done at a **reported rate of \$477,327 per room**. East Melbourne is located 2.2 km east of the CBD. (AFR 06.09.18)

139 Cecil Street, South Melbourne, VIC 3205

Historic metropolitan pubs continue to trade on strong terms despite the market appearing to be reaching its peak, evidenced by the sale of **The George Hotel** for **\$5.2 million** on a tight **4.88% yield**. The property does however have strong fundamentals; it has been operational for over 150 years, it has a new lease in place with options to 2038 and it boasts a significant 406 sqm land holding on a corner opposite the ever-popular South Melbourne markets. The two level, 531 sqm pub traded on a **rate of \$9,793 psm of lettable area**, whilst the sale reflected a 30% capital gain on its 2015 sale. South Melbourne lies 2.4 km south of the CBD. (AFR 12.09.18)



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

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

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- 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

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We regularly undertake valuations of all forms of plant, machinery, furniture, fittings and equipment including:

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- 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, 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 and 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 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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<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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