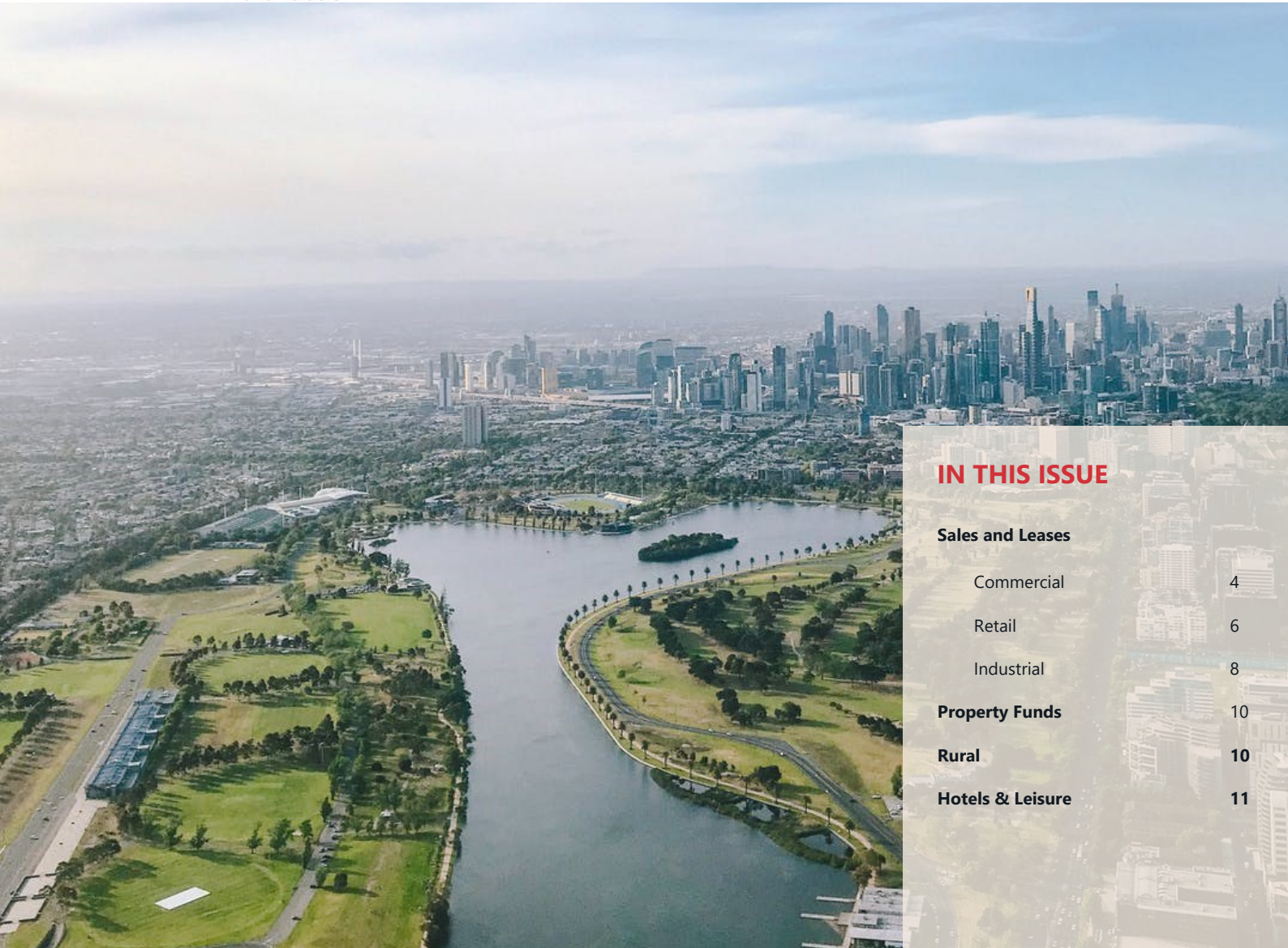




**Preston
Rowe
Paterson**

International
Property Consultants
and Valuers



IN THIS ISSUE

Sales and Leases

Commercial	4
Retail	6
Industrial	8

Property Funds

Rural	10
Hotels & Leisure	11

Transactions in Review

August 2020



ABOUT THIS REPORT

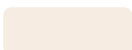
Preston Rowe Paterson prepare research reports covering the main markets within which we operate in each of our capital cities and major regional locations.

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

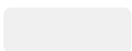
The markets covered in this research report include the commercial office market, industrial market, retail market, specialised property market, hotel and leisure market, residential market and significant property fund activities.

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



Adelaide Commercial

Nikos Property Group has acquired an A grade office building from Cbus Property in a \$175 million deal struck on a 6.5% yield.

Sydney Retail

Stockland has sold their Baulkham Hills shopping centre in Sydney's north west to Sydney based group Mintus. The circa \$140 million deal was struck on a 7% yield.

HIGHLIGHTS

Brisbane Industrial

Frasers Logistics and Industrial Trust has sold its remaining half stake in a cold storage facility located in Brisbane's south for **\$152.5 million**.





Commercial

60 Pacific Highway, St Leonards NSW 2065



\$33.8 million



5.5% Yield



\$11,571 per sqm lettable area

AMP Capital has sold a recently refurbished three-storey office building to EG Funds Management for **\$33.8 million**. The building which occupies a site of approximately 1,313 sqm, comprises approximately 2,921 sqm of net lettable area together with basement parking for 60 cars. The property is reported to have sold fully leased on a passing **yield of 5.5%** and rate of **\$11,571 psm of lettable area**. The property is situated within the St Leonards commercial area, close to St Leonards train station and opposite the Royal North Shore Hospital. AMP acquired the property in October 2018 for \$21.8 million, representing a \$12 million uplift. EG was attracted to medical related tenants comprising 40% of the properties income.
(AFR 24.08.20)

1816-1832 Dandenong Road, Clayton VIC 3168



\$416.7 million



\$31,800 per sqm of site area

A Data Centre complex comprising 10 buildings, including Telstra's newest 6.1MW data centre, a 6.6MW data centre and associated energy centre has sold via a sale and leaseback arrangement between Centuria Industrial REIT and Telstra. Telstra will lease the Clayton data centre on a 30-year term with two further 10 year options and will retain ownership of all IT and telecommunications equipment, as well as being responsible for ongoing operations, building upgrades, repairs, future capex requirements and security. The **\$416.7 million** deal was struck on a **rate of \$31,800 psm of site area**.
(AFR 06.08.20)

38 Cavill Avenue, Surfers Paradise QLD 4217



\$6.1 million



6.6% Yield




\$2,346 per sqm lettable area

A six-level office and retail building in Surfers Paradise has sold to a *local investor* for **\$6.1 million**. Accommodation comprises five levels of office space and ground floor retail. The 2,600 sqm building occupies a 888 sqm site and sold on an initial **yield of 6.6%**. Selling agents reported interest by interstate and local buyers.
(AFR 13.08.20)






28 The Esplanade, Perth WA 6000

 \$550 net psm lettable area


 6 Years


 \$504,900 p.a.

Security specialist *CyberCX* has leased a whole floor of office space from landlord from *Redhill Partners Investment* in Perth's CBD. The **six year** deal was struck on a **net rate of \$550 per sqm of lettable area**, equating to a net **annual rental of \$504,900 p.a.** The security firm will occupy 918 sqm of space and will be the firms headquarters.
(AFR 25.08.20)

50 Flinders Street, Adelaide SA 5000


 \$175 million


 6.5% Yield


 \$8,046 per sqm lettable area

Nikos Property Group has acquired an A grade office building in a **\$175 million** deal with *Cbus Property*. The 15 storey building comprises 21,750 sqm of net lettable area and 75 car spaces. The 2015 constructed property is anchored by the People's Choice Credit Union. The property traded on a fully leased **yield of around 6.5%** and on a **rate of \$8,046 psm of lettable area**. Nikos own the adjoining property, which was purchased two years ago for \$101.35 million.
(AFR 25.08.20)

22-28 King William Street, Adelaide SA 5000

 \$43 million

 7.8% Yield

 \$4,477 per sqm lettable area

Sydney based boutique firm *Intergern Property Group* on behalf of a Singaporean family office have acquired NAB House for **\$43 million**. The office building is leased to NAB and its associated subsidiaries JBWere and MLC. The A Grade building is leased to NAB along with associated subsidiaries JBWere and MLC and comprises 9,604 sqm of office space over 14 levels. The off-market deal was completed on an **initial yield of 7.8%** and a **rate of \$4,477 psm lettable area**.
(AFR 20.08.20)





Retail

375-383 Windsor Road, Baulkham Hills NSW 2153



\$140 million



7% Yield (Approx.)



\$7,776 per sqm lettable area

Stockland has sold their Baulkham Hills shopping centre in Sydney's north west to Sydney based property group *Mintus*. The circa **\$140 million** deal was completed on a **7% yield** and a **rate of \$7,776 psm lettable area**. Stockland has now offloaded \$418 million worth of Australian shopping centre assets in the past four months with plans of further divestment. The 18,003 sqm centre features Woolworths, Coles, ALDI, more than 75 specialties and 840 car parking spaces.

(APM.News 27.08.20)

7 Cheriton Drive, Carramar WA 6031



\$33.5 million



6.2% Yield



\$6,258 per sqm lettable area

The Carramar Village shopping centre has been acquired by Adelaide based fund manager *Red Wealth* for **\$33.5 million**. The 5,353 sqm shopping centre, situated on the north-western corner of Joondalup and Cheriton Drive is anchored by Woolworths and features 17 speciality stores. The deal was struck on a **yield of 6.2%** and a **rate of \$6,258 psm of lettable area**.

(AFR 07.08.20)

19 Anzac Highway, Keswick SA 5035



\$6.6 million



\$2,200 per sqm of lettable area

Nick Scali has sold a showroom in Adelaide's inner south after more than 25 years of ownership for **\$6.6 million**. The 3,000 sqm showroom stands on a 3,615 sqm site and was previously home to locally based businesses Australian Classic Furniture and Kimberley James Furniture. The off market deal was completed on a **rate psm of lettable area of \$2,200**.

(AFR 13.08.20)





Industrial

37 Day Street, Silverwater NSW 2128

\$138 gross psm lettable area

5 Years

\$290,490 p.a.

Geotechnical Drilling Company has secured a **five year** lease of a 2,105 sqm warehouse in Silverwater. The deal, negotiated on behalf of a *private lessor* was struck on a **gross rate of \$138 psm of lettable area**, equating to **\$290,490 per annum**.

13 Chaplin Drive, Lane Cove NSW 2066

\$5.05 million

\$5,454 per sqm of lettable area

A fire equipment manufacturer has purchased an office-warehouse building for **\$5.05 million**. The lower north shore located property comprises 926 sqm of gross lettable area on a 1,450 sqm site. The purchaser, *FlameStop Australia* had recently been leasing in the surrounding area for the past 10 years. The deal was completed on a **rate of \$5,454 psm of lettable area**.

(AFR 20.08.20)

3A Williamson Road, Ingleburn NSW 2565



\$10.2 million

\$4,811 per sqm of lettable area

A vacant industrial property located in the Ingleburn industrial precinct has sold for **\$10.2 million**. The buyer, an *owner-occupier* with a machinery hire and training company was introduced to the property on a Friday morning and subsequently exchanged contracts unconditionally the following Monday. The property comprises 2,120 sqm of office and high clearance warehouse accommodation with approximately 2,700 sqm of hardstand. The property last traded for \$8.8 million at the end of 2019, representing a \$1.4 million profit for vendors, *Aon Ari Property Fund*. The deal was completed on a **rate of \$4,811 psm of lettable area**.

(AFR 20.08.20)

5 Williamson Road, Ingleburn NSW 2565



\$38.2 million




5.4% Yield

\$2,020 per sqm lettable area

An industrial complex comprising three industrial buildings with a combined GLA of approximately 18,914 sqm occupying a site of approximately 4.096 hectares in the established Ingleburn industrial area has been purchased by *EG* purchased from *Leda Holdings* for **\$38.2 million**. The property is reported to have a diverse tenancy mix with a passing net income of circa \$2,073,434 and a WALE of 3.76 years. The deal was completed on a yield of **5.4%** and a **rate of \$2,020 per sqm of lettable area**. The purchaser intends to value add through reconfiguration and expansion works, through targeted leasing strategies to improve contracted lease tenure.




(AFR 26.08.20)

63 Sandstone Place, Parkinson QLD 4115

-  \$152.5 million (50% stake)
-  5.1% Yield (approx.)
-  \$5,623 per sqm lettable area




Fraser's Logistics and Industrial Trust has sold its remaining half stake in a cold storage facility located in Brisbane's south for **\$152.5 million**. The property has been acquired by German real estate investment fund DWS who will now take full control of the asset. The sale price represented a 13% premium on the 50% stake DWS acquired 12 months earlier. The distribution centre stands on a 155,300 sqm site improved with 3,285 sqm of office accommodation and 50,960 sqm of cold storage and ancillary warehousing. The two deals represent a yield compression year on year from 5.6% on the initial stake to a **yield just above 5%** for the most recent deal. (AFR 05.08.20)

22 Geddes Street, Balcatta WA 6021

-  \$63.5 million
-  6% Yield (Approx.)
-  \$2,405 per sqm lettable area




Fund manager *Charter Hall* has continued its aggressive acquisition approach through the purchase of a distribution centre in Western Australia. The **\$63.5 million** deal was struck on a **yield around 6%** and on a **rate of \$2,405 psm of lettable area**. Vendors, *Stockland* sold the asset to focus funds towards development opportunities along the eastern seaboard. The 26,400 sqm industrial asset sold with 14 years remaining on the triple net lease to dairy company Brownes Dairy. Rent will be reviewed annually at 3.25%. The asset sold off market. (AFR 12.08.20)

114 Cross Keys Road, Salisbury South SA 5106

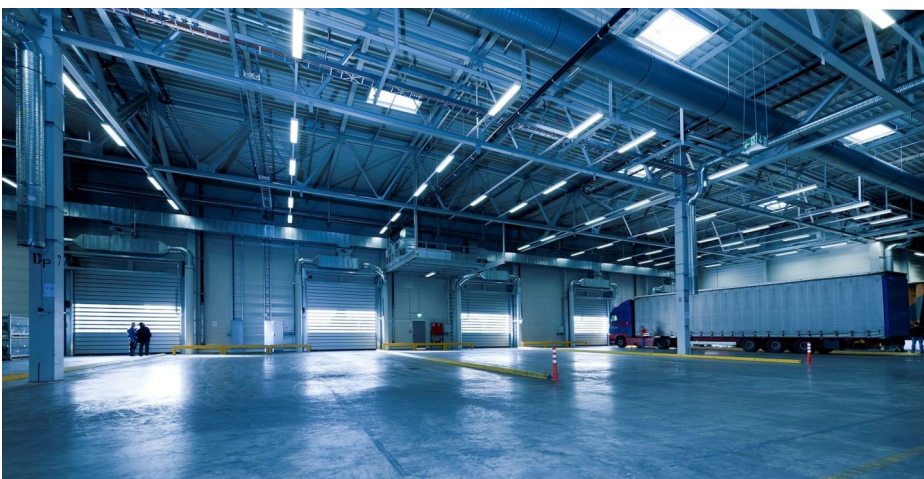
-  \$22 million
-  6.54% Yield
-  \$1,157 per sqm lettable area

Perth-based, ASX-listed *Primewest* has acquired a distribution centre from *Border Express* in a **\$22 million** sale and leaseback deal. A new five year lease was signed upon settlement of the transaction, which will be initially set on a net rent of \$1.44 million. The 19,020 sqm centre sold on a **yield of 6.54%** and a **rate of \$1,157 psm of lettable area**. (AFR 04.08.20)

26 Caribou Drive, Direk SA 5110

-  \$63.05 million
-  5.69% Yield
-  \$5,674 per sqm lettable area

Cromwell Funds Management has sold a modern cold-storage facility in Adelaide to the asset management arm of investment bank *Moelis*. The **\$63.05 million** deal was struck at a 19% premium to its book value and represented a yield on the sale price of **5.69%**. The 11,113 sqm facility sold fully leased to Rand Transport with a 15-year WALE. The sale highlights continued demand for industrial assets with good tenants, modern facilities and long WALE. (AFR 25.08.20)





Property Funds

Ampol Property Trust



\$682 million (49% stake)



5.5% Yield (Approx.)

Singaporean sovereign wealth fund *GIC* in partnership with *Charter Hall* have acquired a 49% stake in the **Ampol Property Trust**. The **\$682 million** deal was struck on an initial **yield of 5.5%** and includes 203 convenience based retail properties with a WALE of 19.2 years and annual rents reviewed annually to CPI. The sale represents a string of sale and leaseback deals as companies across sector are offloading real estate assets to boost their balance sheets. Of the \$682 million stake GIC will contribute 95% of funds with Charter Hall contributing the remaining 5%.
(AFR 18.08.20)

460 Ramsay Road, Irrewarra VIC 3249



\$8.75 million



\$12,608 per hectare

Mathew Joyce has sold a 694 hectare cattle farm, in Victoria's Western District for **\$8.75 million** to Mount Gambier grazier *Allan Starling*. The property is improved with extensive fencing and laneway network, four bedroom residence and a Otway mains water system servicing all 80 paddocks. The deal was struck on a **rate of \$12,608 per hectare**.

(AFR 03.08.20)

Bundaberg, QLD 4670



\$81 million



\$14,975 per hectare


Diversified farmland trust *Rural Funds Group* has struck an **\$81 million** deal to purchase 5,409 hectares of sugar cane farmland from *MSF Sugar*. The deal, which included 8,060 megalitres of water entitlements. Rural Funds plan to convert the land to macadamia orchards to further diversify their portfolio. The conversion represents a trend among farmers in Queensland as sugar cane prices have tumbled compared to the strength of macadamia prices. The sale represents a **rate of \$14,975 per hectare** with settlement due in October.
(AFR 03.08.20)



Hotels & Leisure

**269 Macquarie Street,
Liverpool NSW 2170**

 \$43 million

 \$40,490 per sqm of site area

The De Angelis family has bought the Macquarie Hotel in the Liverpool CBD for **\$43 million**. The property was the last asset sold in the private equity backed *Monarch Hotels Fund*. The hotel stands on a 1,062 sqm site and includes a bistro, 17 hotel rooms, a bottle store, function space and 30 electronic gaming machines over two levels. The deal was completed on a **rate of \$40,490 per sqm of site area**.

(AFR 20.08.20)





**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.

PRP Headquarters (Sydney)

**Level 7, 1 Market
Sydney NSW 2000**
P: +61 (0)2 9292 7400
F: +61 (0)2 9292 7404
research@prpsydney.com.au

National Directors

Gregory Preston
M: 0408 622 400
greg.preston@prp.com.au

Gregory Rowe
M: 0411 191 179
greg.rowe@prp.com.au

Greg Sugars
M: 0435 911 465
greg.sugars@prp.com.au

Neal Ellis
M: 0417 053 116
neal.ellis@prp.com.au

Damian Kininmonth
M: 0417 059 836
damian.kininmonth@prp.com.au

Capital City Offices

Adelaide

Rob Simmonds
M: 0418 857 555
adelaide@prp.com.au

Brisbane

Troy Chaplin
M: 0419 029 045
troy.chaplin@prp.com.au

Canberra

Jason Lee
M: 0410 300 504
jason.lee@prp.com.au

Hobart

Damien Taplin
M: 0418 513 003
damien.taplin@prp.com.au

Shelley Taplin
M: 0413 309 895
shelley.taplin@prp.com.au

Melbourne

Neal Ellis
M: 0417 053 116
neal.ellis@prp.com.au

Damian Kininmonth
M: 0417 053 116
damian.kininmonth@prp.com.au

Perth

Cameron Sharp
M: 0438 069 103
cameron.sharp@prp.com.au

Sydney

Gregory Preston
M: 0408 622 400
greg.preston@prp.com.au

Gregory Rowe
M: 0411 191 179
greg.rowe@prp.com.au

Regional Offices

Albury Wodonga

Daniel Hogg
M: 0428 235 588
daniel.hogg@prp.com.au

Michael Redfern
M: 0428 235 588
michael.redfern@prp.com.au

Ballarat

Darren Evans
M: 0417 380 324
darren.evans@prp.com.au

Peter Murphy
M: 0402 058 775
peter.murphy@prp.com.au

Bendigo

Damien Jerinic
M: 0409 820 623
damien.jerinic@prp.com.au

Central Coast/Gosford

Collin Pugsley
M: 0435 376 630
collin.pugsley@prp.com.au

Dubbo

James Skulthorp
M: 0409 466 779
james.skulthorp@prp.com.au

Tom Needham
M: 0412 740 093
tom.needham@prp.com.au

Geelong

Gareth Kent
M: 0413 407 820
gareth.kent@prp.com.au

Stuart McDonald
M: 0405 266 783
stuart.mcdonald@prp.com.au

Gippsland

Tim Barlow
M: 0400 724 444
tim.barlow@prp.com.au

Alexandra Ellis
M: 0407 724 444
alex.ellis@prp.com.au

Griffith

Daniel Hogg
M: 0408 585 119
daniel.hogg@prp.com.au

Horsham

Ben Sawyer
M: 0429 826 541
ben.sawyer@prp.com.au

Launceston

Damien Taplin
M: 0418 513 003
E: damien.taplin@prp.com.au

Moreton Sunshine Coast

John Falvey
M: 0422 140 764
E: john.falvey@prp.com.au

Mornington

Neal Ellis
M: 0417 053 116
E: neal.ellis@prp.com.au

Damian Kininmonth
M: 0417 059 836
E: damian.kininmonth@prp.com.au

Mount Gambier

Stuart McDonald
M: 0405 2660783
E: stuart.mcdonald@prp.com.au

Newcastle

Robert Dupont
M: 0418 681 874
E: bob.dupont@prp.com.au

David Rich
M: 0413 052 166
E: david.rich@prp.com.au

Shepparton

Wes Ridd
M: 0418 334 453
E: wes.ridd@prp.com.au

Southport

Ian Hawley
M: 0458 700 272
E: ian.hawley@prp.com.au

Troy Chaplin
M: 0419 029 045
E: troy.chaplin@prp.com.au

Swan Hill

Ian Boyd-Law
M: 0418 5980232
E: ian.boyd-law@prp.com.au

Tamworth

Bruce Sharrock
M: 0429 465 012
E: bruce.sharrock@prp.com.au

Matt Spencer
M: 0447 227 002
E: matt.spencer@prp.com.au

Wagga Wagga

Dan Hogg
M: 0408 585 119
E: daniel.hogg@prp.com.au

Warrnambool

Stuart McDonald
M: 0405 266 783
E: stuart.mcdonald@prp.com.au

New Zealand Offices Head Office (Auckland)

Alex Haden
M: +64 (0)21 833 118
E: alex.haden@prpnz.nz

Greymouth

Mark Bollard
M: +64 (0)27 694 7041
E: mark.bollard@prpnz.nz

Tauranga

Alex Haden
M: +64 (0)21 833 118
E: alex.haden@prpnz.nz

Asia-Pacific Region

Associated office networks throughout:

China via China Appraisal
<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/>



Preston Rowe Paterson
International Property Consultants and Valuers



**Preston
Rowe
Paterson**

International
Property Consultants
and Valuers

We have **property** covered.

www.prp.com.au

© Copyright 2020 Preston Rowe Paterson Australasia Pty Limited