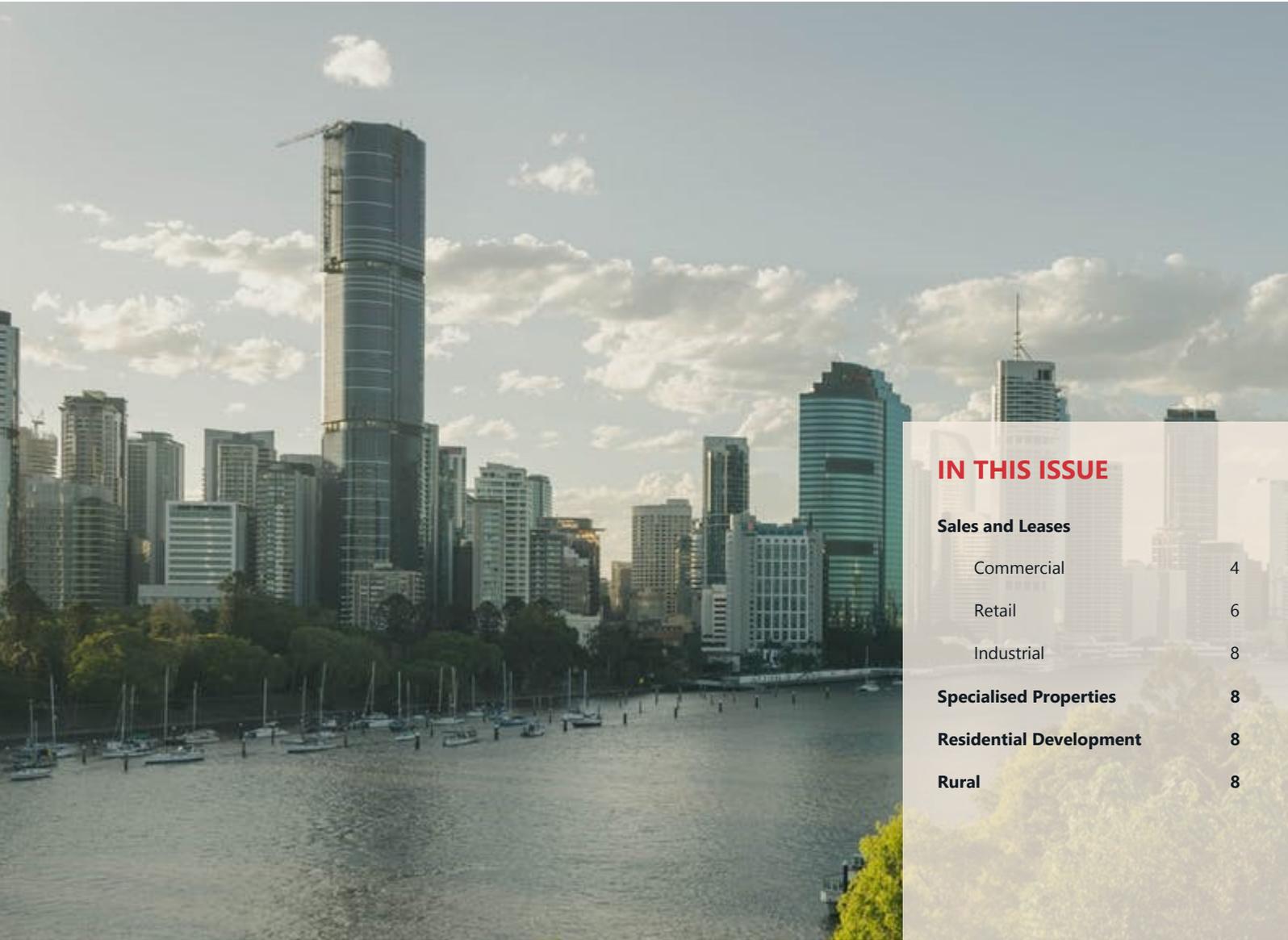




**Preston  
Rowe  
Paterson**

International  
Property Consultants  
and Valuers



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**Transactions in Review**

**January 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 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



### **Sydney Commercial**

Link REIT has struck a deal with Blackstone to acquire a 10 storey, A Grade office building in the CBD on a tight 3.9% yield.

### **Queensland Retail**

Real estate manager MPG has acquired a large format retail complex, anchored by Bunnings for \$43.5 million.

### **Melbourne Childcare**

The Moonee Valley Racing Club has sold a fully leased childcare centre with a permit for 91 places on a 4.9% yield.

## **HIGHLIGHTS**



# Commercial

## 100 Market Street, Sydney NSW 2000

- \$683 million
- 3.9% Yield
- \$24,062 per sqm lettable area

In the final weeks of 2019 *Link REIT* struck a deal with *Blackstone* to acquire a 10 storey A Grade office building in the Sydney CBD on a tight 3.9% net yield, representing one of the biggest deals of the year. The 28,385 sqm property, within the mixed use precinct bounded by Market, Pitt and Castlereagh Streets, was developed in 2010 as part of the larger Westfield Sydney redevelopment. The acquisition by Asia's largest listed property trust, represents the first purchase by Link outside Hong Kong and mainland China. The property trusts retail heavy portfolio was worth \$41.2 billion (AUD) before the deal for 100 Market Street.  
(AFR 02.01.20)

## 8 Buller Street, Port Macquarie NSW 2444

- \$37.9 million
- 6.5% Yield
- \$6,099 per sqm lettable area

Perth based *Ascot Capital* has acquired a three level regional office building as the private fund manager looks to chase higher yielding commercial property returns on offer in regional hubs. The recently upgraded 6,214 sqm building sold fully leased to NSW government funded utility **Essential Energy** on a 15 year lease term. Port Macquarie is located approximately 390 km north of the Sydney CBD.  
(AFR 17.01.20)

## 541 Blackburn Road, Mt Waverly VIC 3149

- \$21.8 million
- 5.8% Yield
- \$6,009 per sqm lettable area

Singapore listed investment company *Ocean Sky International Limited* has acquired a multi-level office building in Melbourne's south east for \$21.8 million. The 3,628 sqm property, situated on a 6,210 sqm site was sold by Melbourne fund manager *Vantage*, acting on behalf of a high net worth investor syndicate that had owned the property since 2003. The property sold with a net passing income of \$1.3 million per annum, 157 on-site car spaces and a weighted average lease expiry of 3.83 years. Mt Waverly is located approximately 17 km south-east of the Melbourne CBD.  
(AFR 02.01.20)

## 50 Blackwell Street, Barton ACT 2600



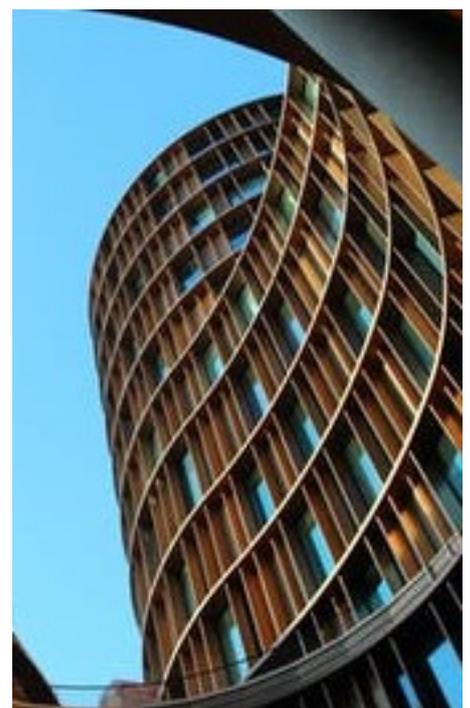
- \$430 gross psm lettable area
- 5 Years
- \$597,700 p.a.

*ASG Group Limited* has signed on as the lessee of a 1,390 sqm office space from landlord, *MPG Barton*. The IT services company were attracted to the recent work that was undertaken to upgrade the building along with the ability for the business to be housed across one whole floor. Barton is located approximately 4 km south of the Canberra CBD.  
(AFR 28.01.19)

## Suite 42.02, 264 George Street, Sydney NSW 2000

- \$1,688 gross psm lettable area
- 5 Years
- \$302,152 p.a.

*Avari Capital Partners* has signed a five year lease over a 179 sqm office suite situated in the Australia Square office tower building. The *Dexus* owned A-grade office building comprising premium office suites has undergone multiple updates and refurbishments in recent years, whilst remaining one of the more attractive CBD locations for tenants.  
(AFR 28.01.20)





**19 Lang Parade,  
Milton QLD 4064**

\$85.2 million

\$6,174 per sqm lettable area

Petrol retailer and property investor *Nikos Andrianakos* has grown his family property portfolio through the acquisition of an office complex on the Brisbane CBD fringe. The two campus style office buildings comprise a total net lettable area of 13,800 sqm leased to **MHPS Plant Services** and the **Presbyterian Church of Queensland**, with a weighted average lease expiry of two and a half years. Milton, which makes up 20% of the total of the total fringe office market, has seen a decrease in the vacancy rate from 27.9% to 17.5% over the year to July, according to the Property Council. The property traded off market by developer *Franco Di Bartolmeo*. Milton is located approximately 2 km west of the Brisbane CBD.

(AFR 30.01.20)

**66 Kings Park Road,  
West Perth WA 6005**

\$33.1 million

6.6% Yield

\$7,042 per sqm lettable area

*Warrington Capital* has secured the sale of a six storey office building in West Perth to newly listed fund manager *Primewest*. The group acquired the property in 2017 for \$16.1 million with 20% occupancy and undertook \$6.5 million worth of refurbishments over two years to go on to sell the property fully leased to 12 tenants. The 4,700 sqm property situated on a 3,168 sqm site benefits from the lands underlying development potential. West Perth is located approximately 1 km west of the Perth CBD.

(AFR 17.01.19)



# Retail

## 13-19 Boronia Rd, Greenacre NSW 2190

-  \$26.5 million
-  5.8% Yield
-  \$5,599 per sqm lettable area

The Coles Greenacre shopping centre in Sydney's west has been offloaded by ISPT's underperforming retail property fund *IRAPT* to Sydney based fund manager *Harrington Property Group*. The neighbourhood shopping centre counts **Coles, Liquorland**, a chemist, a café and two other specialties as tenants in the 4,733 sqm property, which sold with a fully leased net income of \$1,539,030 p.a. and a WALE of 9 years. The sale is in line with ISPT's divestment of non-core assets in its \$1.7 billion portfolio. Greenacre is located approximately 17 km west of the Sydney CBD. (AFR 28.01.20)

## 384 Bourke Street, Melbourne VIC 3000

-  \$22.5 million
-  2.6% Yield
-  \$21,490 per sqm lettable area

A two-level retail and hospitality building on Melbourne's Bourke Street has been sold by private vendors *M & M Assets* on a low 2.6% yield. The property, leased to **Lola Restaurant & Bar** on a brand new 10 year lease has a 10 metre frontage to Bourke Street and comprises a building area of 1,047 sqm. The sale price represents an approximate 50% increase from the previous 2015 purchase price. The property is located around the corner from popular dining laneway Hardware Lane in the Melbourne CBD. (AFR 20.01.20)

## Cnr of Hamilton and Brantome Street, Gisborne VIC 3437

-  \$6.15 million
-  5.3% Yield
-  \$3,055 per sqm site area

Carlton Football Club president and investment firm *Crawfords Group* managing director *Mark LoGiudice* has sold a row of 10 shops in one line on a combined 5.3% yield. Mr LoGiudice acquired the properties, which stand on a 2,013 sqm site in 2015 for \$3.725 million. The fully leased property with a 53 metre frontage, 69 on site car space sold at auction with a net passing income of \$329,000 per annum. Gisborne is located approximately 54 km North West of the Melbourne CBD. (AFR 02.01.20)

## 409 Victoria Avenue, Chatswood NSW 2067

-  \$1,850 gross psm lettable area
-  7 Years
-  \$279,350 p.a.

*Guzman y Gomez*, which now operates more than 125 restaurants in Australia, Singapore and Japan, has leased a strata retail shop in Chatswood's 'The Concourse' on a seven year term. The Mexican fast food change agreed to a seven year lease over the 151 sqm Willoughby Council owned property. The shop comprises an outdoor seating area and basement storage space. Chatswood is located approximately 10 km north of the Sydney CBD. (AFR 28.01.20)

## 228-242 Hawken Drive, St Lucia QLD 4067

-  \$15 million
-  5.5% Yield
-  \$7,653 per sqm lettable area

*MRL Investments* has bought the St Lucia Marketplace from *Marquette Properties* for \$15 million representing a 5.5% yield. The double storey property, leased to IGA operator *Hopper Group* and 11 speciality tenancies spans a gross lettable area of 1,960 sqm. The property sold with a combined weighted average lease expiry of 6.17 years, with *Hopper Group* anchoring the retail space via a 15 year lease over approximately 56% of the lettable area. St Lucia is located approximately 4 km south of the Brisbane CBD. (AFR 30.01.20)

## 21 Peachy Road, Ormeau QLD 4208

-  \$29 million
-  5.91% Yield
-  \$3,369 per sqm lettable area

*Westlawn Property Trust* has purchased the Woolworths anchored Ormeau Shopping Centre in a deal with \$29 million. The acquisition of the property brings the value of the Westlawn portfolio close to \$400 million. The 8,607 sqm property is anchored by **Woolworths** and complimented by a diverse mix of six other tenancies including **BWS**, a Pharmacy and a medical practitioner. The centre situated off the M1 Pacific Motorway provides income security through a 12.72 year WALE. Ormeau is located approximately 49 km south of the Brisbane CBD. (AFR 20.01.20)

**84-86 Redland Bay Road,  
Capalaba QLD 4157**

- \$8.85 million
- 6.38% Yield
- \$3,790 per sqm lettable area

Centurion Investment Management Pty Ltd has purchased two freestanding showroom premises fronting Redland Bay Road on a 6.38% yield from Isthmus Properties. The two properties are leased to **Repca** and **Rebel** on 10 year leases, which commenced in 2016. The strata titled properties traded off market and comprise a combined 2,335 sqm of net lettable area on a 4,858 sqm site. Capalaba is located 19 km south-east of the Brisbane CBD. (AFR 30.01.20)

**540 Yaamba Road,  
Norman Gardens, QLD 4701**

- \$43.5 million
- 5.9% Yield
- \$2,375 per sqm lettable area

Active real estate manager MPG has lifted the value of its regionally focused portfolio to more than \$700 million through the acquisition of the Bunnings Centre in Rockhampton. The 18,319 sqm large format retail complex includes a 13,242 sqm **Bunnings** warehouse and four additional tenancies. Previously a Masters home improvement store, the centre was converted by Bunnings in 2017 and sold to *Charter Hall*. MPG is expecting to return a distribution yield of 6.5% in the 2020 financial year to its single asset wholesale investor fund. At the time of sale the property is 94% leased with a WALE of 8.5 years. Norman Gardens is located 5 km north of the Rockhampton CBD. (AFR 14.01.20)





## Industrial

### Units 1-5, 187-201 Rooks Road, Vermont VIC 3133

- \$5.85 million
- 6.55% Yield
- \$1,698 per sqm lettable area

Five industrial units in Melbourne's east have sold to private investor *Brendan Sullivan* after being taken to market via an expressions of interest campaign. The separately titled units, which sold in one line, comprise a total gross lettable area of 3,445 sqm with the individual units ranging from 529 sqm to 870 sqm in size. The property sold with a combined passing rent of \$383,000 per annum and a weighted average lease expiry of 1.75 years. Vermont is located approximately 20 km east of the Melbourne CBD. (AFR 30.01.20)

### 120 Hume Highway, Chullora NSW 2190

- \$7 million
- \$3,500 per sqm lettable area

A private investor has purchased a new standalone industrial facility off the plan from developer, *Trumen Norman Chullora*. The property comprises a total of 2,000 sqm of area which can be split in to two units. Internally the property provides modern office accommodation with full staff amenities and a warehouse clearance up to 12 metres. The premises comprise a fully secured yard area, dual truck access and 20 on grade car spaces. Chullora is located approximately 15 km west of the Sydney CBD. (AFR 30.01.20)

## Residential Dev.

### 10 Alvina Street, Oakleigh South VIC 3167

- \$23 million
- \$1,129 per sqm site area

*Panorama Investment Group* has beat the field to purchase a residential development site in Melbourne's south east with a permit for 96 townhouses. Vendor, *Spire* originally bought the property for \$14 million in 2014 and then flipped it after receiving development approval in 2018 at the conclusion of a long battle with council. The 2.37 ha site was the former Clayton West Primary School, which was the last of nine dormant school sites sold by the Naphthine state government to developers in 2014. The expressions of interest campaign which attracted 11 offers, represents somewhat of a return by developer to the residential development market. Oakleigh South is located approximately 17 km south east of the Melbourne CBD. (AFR 14.01.20)

## Specialised Prop

### 2 McPherson Street, Moonee Ponds VIC 3039

- \$6.6 million
- 4.9% Yield
- \$7,728 per sqm lettable area

*The Moonee Valley Racing Club* in Melbourne has tapped into strong demand for metropolitan childcare centres after selling an early learning centre it developed on a 1,925 sqm corner site. A local investor snapped up the 854 sqm property on a yield of 4.9%. The sale comes after the \$2 billion Moonee Valley Park development between the racing club, developer Hamton Property Group and super fund Hostplus. The mixed use village will comprise 2,000 dwellings on a 16 hectare portion of the 40 hectare site. The property is leased to **Nido Early School** on a 20 year lease term with options to 2059. Moonee Ponds is located approximately 7 km north west of the Melbourne CBD. (AFR 06.01.20)

## Rural

### Torrumbarry Aggregation, Murray Valley Highway, Torrumbarry VIC 3562

- \$211.8 million
- \$4,729 per hectare

*Australian Fresh Milk Holdings (AFMH)*, backed by the Perich Family and one of China's biggest agriculture players has finalised the acquisition of the Torrumbarry aggregation in northern Victoria. The purchase involved four linked properties held by four different owners across more than 4,000 hectares of land. The purchase will support the growth of Coomboona and Moxey Farms, also operated by AFMH, by supplying 3,600 milking cows to their operation and 6,700 mega litres of water entitlements. The deal will mean pressure will be taken off AFMH's existing operations. Torrumbarry is located approximately 26 km north west of Echua. (AFR 13.01.20)





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## 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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**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/>





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