



**Preston**  
*Rowe*  
**Paterson**

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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.

**MARCH 2018**

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## SALES

### Commercial

#### 12 Cross Street, Double Bay, NSW 2028

The *Ma Family* have added to their Double Bay portfolio with the purchase of a two storey 329 m<sup>2</sup> commercial building for **\$14.7 million**. The site is favourably positioned with 2 street frontages as well as a pedestrian laneway frontage which allows the small site to contain 6 retail shops and 6 commercial offices. These tenancies generate a net annual income of \$302,000, giving this sale a **record-low yield for the suburb of 2%**. The site is positioned in a corridor of high development activity. This sale follows the *Ma Family's* purchase of 299 Elizabeth Street opposite Hyde Park for \$90 Million (See related: January/February Transactions in Review; commercial sales). Over a floor area of 302m<sup>2</sup>, this sale reflects a **rate of \$48,675 psm lettable area**. Double Bay is located 3.6 km east of Sydney's CBD.

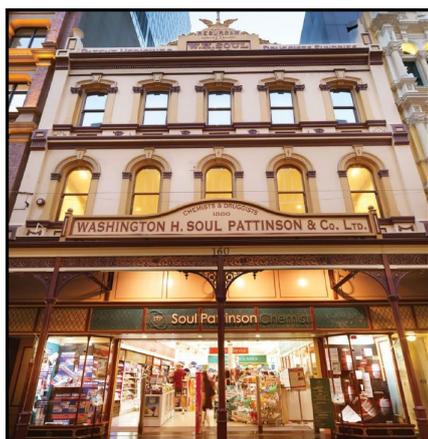
(AFR 02.01.18)

#### 185-187 Lonsdale Street, Melbourne, VIC 3000

A private Chinese investor has paid **\$10.15 million** for a 3-level retail and commercial building. The building is fully leased to two tenants who have both signed new 10-year deals, generating a combined \$400,000 p.a. in net income. The 188 m<sup>2</sup> site has a floor area of 550 m<sup>2</sup> and is positioned on a prized corner CBD lot. This sale was done on a **3.92% yield** and shows a **rate of \$18,455 psm lettable area**.

(AFR 07.03.18)

#### 160 Pitt Street, Sydney, NSW 2000



After 145 years of continuous company owner-occupation, the iconic **Soul Pattinson building** has been sold, with Sydney property investor *Victor Comino* picking up the building for **\$100 million**. The building occupies one of the most enviable positions in all

Australian Real Estate. The c.1886, 3-level building has a floor area of 1,290 m<sup>2</sup>, giving this sale a **rate of \$77,519 psm lettable area**.

(AFR 01.03.18)

#### 387-389 City Road, South Melbourne, VIC 3205

A fully leased, corner office building has sold for **\$12.1 million** to local developer *Clement Lee*. This property sold \$5 million over reserve, despite a short WALE profile and an industrial zoning. Melbourne's suburban office market has become popular with commercial investors who believe it has still yet to mature to Sydney's levels. The property sold on a **yield of 3.3%** and shows a **rate of \$9,037 psm lettable area**. South Melbourne is located 2.3 km south of Melbourne CBD.

(AFR 08.03.18)

#### 63 Ann Street, Surry Hills, NSW 2010

A c.1920s fringe-CBD office building, converted from a warehouse, has changed hands for some **\$28 million**. The 3-level building has a floor area of 2,381 m<sup>2</sup> and sits prominently on an end lot with three frontages, opposite a local park. *Practec Group* sold the building to an undisclosed buyer. The sale reflects a **rate of \$11,760 psm lettable area**. Surry Hills is located 3 km south of Sydney's CBD.



(AFR 14.03.18)

#### 2 Meredith Street, Bankstown, NSW 2200

*Sandran Capital* has acquired Bankstown's only A-grade office building for **\$75 million** from vendors *SC Capital Partners*. The 7-level office building boasts an impressive profile of tenants, including **NSW Police, Centrelink, Westpac, Commonwealth Bank** and **St George**. The 13,738 m<sup>2</sup> NLA building is 98% occupied with a 2.6 year WALE and includes basement parking for some 228 vehicles. The sale reflects a **rate of \$5,459 psm lettable area** and generates a **yield of 7.41%**. Bankstown is positioned 18.4 km south-west of Sydney CBD.

(AU 08.03.18)

#### 264-270 Church Street, Parramatta, NSW 2150

A landmark property on the corner of Church and George Street in Parramatta's CBD has sold for **\$14 million**. The sale comprises a c.1874 heritage building as well as an adjoining retail store, both 3-levels in height, and includes parking for some 9 vehicles. The property is fully leased to **Westpac** on a long term lease currently generating \$615,922 per annum net. This sale was done on a **yield of 4.39%** and returned a **rate of \$10,980 psm lettable area**. Parramatta is located 23 km west of Sydney's CBD.

(AFR 29.03.18)



**691 Collins Street, Docklands, VIC 3008**



Lendlease has sold a yet-to-be-constructed 25-level commercial office building, **Two Melbourne Quarter**, to *First State Super* and a separate investment branch of *Lendlease*, who will each own a 50% interest in the property. The project sold for **\$550 million**, in no small part due to **Energy Australia's** pre-commitment to occupy 10 and a half levels of the asset. Construction is scheduled to commence this month on the tower which will form part of the \$2.5 billion **Melbourne Quarter** urban regeneration project. The building is designed by Woods Bagot and will have a 5.5 star NABERS Energy rating and 46,349 m2 of floor area, reflecting a **rate of \$11,866 psm lettable area**. Docklands is located 2 km west of Melbourne's CBD. (AFR 22.03.18)

**75 Pitt Street, Sydney, NSW 2000**

*Wiltshire International* has parted ways with **\$43.52 million** for a 14-level freehold office building, previously owned and occupied for 40-years by *Thai Airways*. The property, built c.1936, sits on a miniscule 234 m2 land parcel with three main street frontages. Although the property is zoned B8 Metropolitan Centre and is surrounded by much larger buildings, *Wiltshire* intent to refurbish and let out the building due to the current market demand for this type of asset (*Thai Airways* has a 1-year leaseback clause for 5 levels of the building). With a floor area of 2,422 m2, this sale reflects a **rate of \$17,968 psm lettable area**. (AFR 16.03.18)

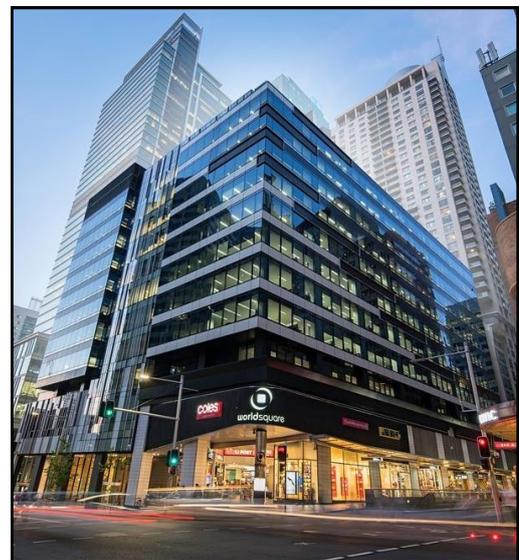


**29-57 Christie Street, St Leonards, NSW 2065**

Joint vendors *APIL* and *Windgate* have sold a mixed-use facility for **\$166 million** to a consortium of *Arrow Property Investments*, *Pindan Capital* and *Starwood*. The premises features an A-grade, 7-level office building with 17,792 m2 of lettable area and a three level basement car park for some 307 vehicles. It also includes a sports complex with a swimming pool, tennis court and childcare centre. The sale provides a **rate of \$9,330 psm lettable area**. St Leonards is located 6.6 km north of Sydney's CBD. (AU 08.03.18, CoreLogic 01.02.18)

**52 Goulburn Street, Sydney, NSW 2000**

Investment fund *Arcadia* has bolstered their holdings in the World Square precinct by outlaying **\$176 million** for a 50% stake in the 12-level commercial building. The property is fully leased to the **Australian Tax Office** with a WALE of 4.6 years. *Credit Suisse* sold the stake whilst retaining a 50% ownership interest in the building. *Arcadia* now account for over 105,000 m2 of floor area in the complex, this sale representing 23,100 m2 of that figure. The property was sold on a **4.76% yield** and a **rate of \$15,238 psm lettable area** (adjusted to reflect half interest). (AFR 27.03.18)



**425 Docklands Drive, Docklands, VIC 3008**

A group of 14 strata office units have been purchased in-one-line for **\$7.25 million**. The first floor offices are fully leased with a WALE of 2.5 years and a net annual income of \$438,000. They are set over 1,493 m2 of floor area, opposite NewQuay Park and in the midst of a growing retail sector. The property sold on a **6% yield** and a rate of **\$4,853 psm lettable area**. Docklands is positioned 2 km west of Melbourne's CBD. (AFR 22.03.18)



#### **196 O G Road, Felixstow, SA 5070**

Sydney-based fund manager *Centennial Property* has received **\$35 million** for its campus-style office complex from ASX-listed *Elanor Investments Group*. **Campus DXC** is fully leased to **DXC Technology** until August 2025 with two further five-year options remaining. The site occupies a 1.25 hectare area, contains 333 parking spaces and has a NLA of 6,228 m<sup>2</sup>. The sale was struck on a **7.9% yield** and reflects a **rate of \$5,620 psm lettable area**. Felixstow is located in the inner north-eastern suburbs of Adelaide, approximately 6 km from the CBD. (See related: Hotel Sales, 193 Clarence Street; Specialised Properties, 10 Lathlain St) (AFR 19.03.18)

#### **1-5 Railway Street, Chatswood, NSW 2067**

*iProsperity* has bought out its partner *Lotus Capital Asset Management* of a 56-year old ground lease for two 12-level commercial office towers for a sum total of **\$107 million**. The property sits adjacent to Chatswood station and the newly developed concourse. The towers encapsulate 17,732 m<sup>2</sup> of floor area on a 3,806 m<sup>2</sup> site and are also joined by a retail podium. The sale of this leasehold reflects a **rate of \$12,069 psm lettable area** (adjusted to reflect half interest). Chatswood is located 10 km north of Sydney's CBD. (AFR 29.03.18)

#### **22 Sutherland Street, Melbourne, VIC 3000**

A fraternal group known as the *Royal Antediluvian Order of Buffaloes* has sold a two-storey warehouse situated on a 308 m<sup>2</sup> CBD corner lot for **\$6.25 million**. The property last traded in 1952 - since then the surrounding area has substantially built up with residential, hospitality and educational facilities. The adjoining building is over 40-levels high. The property sold to a local hospitality operator with vacant possession and a 24-hour liquor licence in place. With a floor area of 517 m<sup>2</sup>, this sale reflects a **rate of \$12,089 psm lettable area**. (AFR 22.03.18)

#### **29-43 Balfour St, Chippendale, NSW 2008**

*Marks Henderson* has paid **\$30 million** for a 3-storey warehouse-office conversion close to the major urban regeneration project Central Park. The area is rapidly expanding as a bona-fide technology hub with neighbouring businesses including Apple, Telstra, University of Technology and Charles Darwin University. The building is spread over 2,500 m<sup>2</sup>, whilst *Henderson* plans to develop the site to cater for a modern tech-based tenant. The sale reflects a **rate of \$12,000 psm lettable area**. Chippendale is located 2.3 km south of Sydney's CBD. (AFR 22.03.18)

## **Industrial**

#### **3-19 Military Road, Matraville, NSW 2036**



*EG Funds Management* has traded in its purpose-built waste transfer facility for a sum of **\$20.9 million**, a private local investor picking up the property. **Veolia Environmental Services** occupy the complex, which generates \$1.03 million net annual income and comes with a substantial 19.88 year WALE. The site sold on a **yield of 4.92%** and a **rate of \$1,601 psm site area**. Matraville is located 11.1 km south of Sydney's CBD. (AFR 12.03.18)

#### **8-10 Moore Street, Banksmeadow, NSW 2019**

*Leda Holdings* has purchased a 1.85 hectare industrial site for **\$36 million** from private owner-occupiers. *Leda* plan to develop the site into storage units and warehousing after a lease-back provision to the previous owners expires at the end of the year. The site sold on a **rate of \$1,935 psm site area**. Banksmeadow is located 11.3 km south of Sydney's CBD. (See related: below) (AFR 22.03.18)

#### **2-6 Moore Street, Banksmeadow, NSW 2019**

Private syndicate *Ambot* has sold a 4.4 hectare industrial warehouse property for **\$72.4 million**, after paying \$26.2 million in 2008. The property was purchased by industrial investor and developer *LOGOS*, who recently launched a \$500 million fund to acquire similar assets, who are leveraging on future increased demand of logistical warehouse properties from the growing online retail sector. The property is fully leased to packaging company **Orora**. The property sold on a **rate of approximately \$3,790 psm gross floor area** and **\$1,645 psm site area**. Banksmeadow is located 11.3 km south of Sydney's CBD. (AFR 08.03.18)



### 116 Magnesium Drive, Crestmead, QLD 4132

Sentinal Property Group has acquired an office/warehouse complex on a 1.6 hectare site for **\$9.6 million**. The property is leased to manufacturer **Oxworks** and sold on a **yield of 8.82%**. The sale of the 6,159 m2 building reflects a **rate of \$1,559 psm lettable area**. Crestmead sits 30.2 km south-east of Brisbane. (AFR 01.03.18)

### Lot 5 Pine Road, Yennora, NSW 2161

LOGOS has sold an industrial facility opposite the Yennora Intermodal Terminal for **\$14.15 million** to a private owner occupier. The property is set on a 3.581 hectare allotment with approximately 25% site coverage and features a high clearance warehouse with multiple roller doors and drive-thru access. The sale reflects a **rate of \$1,595 psm gross building area**. Yennora is positioned 25.2 km west of Sydney's CBD. (AFR 21.03.18)



## Retail

### 17 Lawson Street, Byron Bay, NSW 2481

The **Lawson Arcade** has sold to a Hong Kong based investor for **\$6.48 million**. The fully leased complex contains 3 shops, 2 restaurants and 4 office suites over 594 m2 of floor area. Generating \$465,000 in gross annual income, this sale was done on a **yield of 4.7%** whilst the sale reflects a **rate of \$10,909 psm lettable area**. Byron Bay is located 758 km north-east of Sydney and 165 km south-east of Brisbane. (AFR 15.03.18)



### 2 Smiths Road, Goodna, QLD 4300

Eddy Tse and Shui On Tse have sold the **St Ives Shopping Centre** in Ipswich for **\$30.45 million** to Sydney developer **Mintus**. The centre was built in the 1970s on a 6.25 hectare site. It is currently anchored by a **Woolworths supermarket** until 2023 and contains 49 specialty tenants including **Dominos, Red Rooster** and **Subway**. These tenancies cover 11,326 m2 of floor area, whilst the centre has a capacity for some 500 vehicles parking. The site was sold on a **fully leased yield of 9.5%** and gives a **rate of \$2,688 psm lettable area**. (AFR 01.03.18)



### Lots 1 & 2, 270 Liverpool Road, Ashfield, NSW 2131

Developer **Ash Securities** has sold two adjoining ground-floor retail units in a recently completed mixed-use development for a combined **\$14.5 million**. The shops are centrally positioned on Ashfields retail strip, in close proximity to Ashfield Station. Lot 1 is a 789 m2 premises with some 16 parking bays, subject to a new 10+10 year lease from **Chemist Warehouse**. The property generates a net income of \$424,175 p.a and sold for **\$8.88 million** on a **yield of 4.89%**, reflecting a **rate of \$11,254 psm lettable area**. Lot 2 is a 274 m2 premises with some 8 car spaces, leased to **ANZ Bank** on a 7+10 year lease expiring in 2033. It sold for **\$5.56 million**. With a net income of \$251,847 p.a., the sale gives a **yield of 4.53%** and shows a **rate of \$20,291 psm lettable area**. Ashfield is located 8.9 km south-west of Sydney's CBD. (AFR 01.03.18)

### 10-16 Ocean Beach Road, Sorrento, VIC 3943



An award-winning heritage retail building has sold for **\$7.125 million**. The c.1905 building is occupied by **Country Road** on a 7-year lease with two 5-year remaining options, currently generating \$279,505 per annum. The

589 m2 store occupies a 750 m2 site with rear lane access and a 20m street frontage. The sale was struck on a **3.6% yield**, reflecting a **rate of \$12,097 psm lettable area**. Sorrento is located on the Mornington Peninsula, 91 km south of Melbourne's CBD. (AFR 13.03.18)



### 353-361 High Road, Parkwood, WA 6147

A **Coles** supermarket and **First Choice Liquor** store have traded together for **\$31.95 million** to an east coast investor. The 5,759 m2 two-shop complex is set on a 1.983 hectare site with some 334 parking bays. Both shops are secured by long-term net lease-backs to **Coles** and **First Choice**, providing a WALE of 14+ years. With an estimated net income of \$1,692,047, this complex sold on a **yield of 5.3%** and gives a **rate of 5,547 psm lettable area**. Parkwood is located 18 km south-east of Perth's CBD.



(AFR 21.03.18)

### 1389 Centre Road, Clayton, VIC 3168

A group of local investors - all involved in fruit and vegetable trade - have purchased a **Coles** supermarket for **\$17.115 million**. The standalone supermarket with a lease expiring in 2033, including option periods sold on a **record low yield of 2.57% for this asset class**. The property occupies a significant 2,833 m2 corner position, adjacent to a separate on-grade car park with capacity for some 336 vehicles. The new owners intent to hold the land and potentially develop the site in the future. The sale returns a **rate of \$6,005 psm lettable area**. Clayton is located 20.6 km south east of Melbourne's CBD.

(AFR 21.03.18)

### 25 Junction Road, Morningside, QLD 4170

The **Morningside Plaza** shopping centre has sold off-market for **\$23.8 million**. The property last traded in 2013 for \$9 million and had undergone a major refurbishment since then. A private investor approached owner *Michael Lasky* with an offer to sell on a **record low yield for this asset class of 5.1%** which he promptly accepted.



The centre is anchored by a **Coles supermarket** and contains 9 specialty shops with parking for some 233 vehicles. The 4,431 m2 centre returns a rate of **\$5,371 psm lettable area**.

Morningside is located 8.5 km north east of Brisbane's CBD.

(AFR 27.03.18)

### 1389 Centre Road, Clayton, VIC 3168

A group of local investors - all involved in fruit and vegetable trade - have purchased a **Coles** supermarket for **\$17.115 million**. The standalone supermarket with a lease expiring in 2033, including option periods sold on a **record low yield of 2.57% for this asset class**. The property occupies a significant 2,833 m2 corner position, adjacent to a separate on-grade car park with capacity for some 336 vehicles. The new owners intent to hold the land and potentially develop the site in the future. The sale returns a **rate of \$6,005 psm lettable area**. Clayton is located 20.6 km south east of Melbourne's CBD.

(AFR 21.03.18)

### 149-163 Mitchell Road, Erskineville, NSW 2043

Joint owners *Greenland Australia* and *Golden Horse* have sold 10,000 m2 of retail strata in **Park Sydney**, a 6.9 hectare mixed-use urban regeneration project, for close to **\$100 million**. A separate arm of *Golden Horse* is understood to have made the purchase with the intention to own the units as a separate retail investment. There has been circulating interest over the recently completed properties from **Coles** and **Woolworths** over a potential anchor tenancy. The sale reflects a **rate of \$10,000 psm lettable area**. Erskineville is located 6 km south west of Sydney's CBD.

(AFR 28.03.18)

## Residential

### 1-3 Burran Avenue, Mosman, NSW 2088

*Richard Freudenstein* has sold his 7-bedroom lower North Shore mansion for **\$23-25 million** to a local buyer. The house has panoramic harbour and ocean views and includes an infinity pool, tennis court, 8+ vehicle garage with a car wash bay, wine cellar, gym, home theatre and a games room. The home sits on a 1,650 m2 corner allotment and covers 1,250 of floor area excluding balconies and terraces. The sale gives a **rate between \$18,400 and \$20,000 psm lettable area**. Mosman is located 6.5 km north east of Sydney CBD.

(AFR 01.03.18)

### 18 Royal Crescent, Armadale, VIC 3143

A five-bedroom Victorian house has sold after passing in at auction for **over \$5.2 million**. The area is in high demand due to convenient public transport links and proximity to leading schools. The two-storey house is spread over 370 m2 of floor space and features a master bedroom, open-plan Meile kitchen leading onto backyard through French bi-folding doors, flexible bedroom and living layout and a 4-car garage accessed via a rear lane. The sale reflects a **rate of \$14,054 psm lettable area**. Armadale is located 8.1 km south east of Melbourne's CBD.

(AFR 06.03.18)



### 26 Wonga Road, Cremorne, NSW 2090



*Mark and Sarah McKenzie* have parted ways with their 6-level waterfront home on Sydney's North Shore for **around \$18 million**. The 1,380m<sup>2</sup> property was rebuilt in 2010 to create an ultra-luxurious dwelling of

concrete construction, containing a marina birth, saltwater pool overlooking middle harbour, heated floors, 6 bedrooms, 6 bathrooms, a double garage and a lift which gives access to every floor of the house. With a floor area of 1,200 m<sup>2</sup>, this sale gives a **rate of \$15,000 psm lettable area**. Cremorne is located 6 km north east of Sydney's CBD.

(Domain 16.03.18)

### 3/15 Marine Parade, Manly, NSW 2095

A rare two-storey oceanfront apartment in the northern beaches has sold for **\$5.7 million**. The 3-bedroom unit was on the market for less than 2 weeks before a local buyer made the purchase, which in-turn set a record **rate for the suburb of \$41,000 psm lettable area**. It features panoramic views of the ocean, dual street access, a double lock-up garage and is positioned 660m east of Manly Wharf. Manly is located 12.4 km north east of Sydney CBD.

(AFR 21.03.18)

### 27 Linlithgow Road, Toorak, VIC 3142

A locally established, high net worth Chinese buyer has purchased a decrepit two storey home on a 728 m<sup>2</sup> lot for **\$5.8 million**. The home was sold midway through a renovation which broke down due to a dispute. Supply of high-end houses in the market has been low due to an ever-climbing market, meaning any properties at land value have been selling at a premium to owner-builders. This is reflected in this sale's **rate of \$7,967 psm site area**, when previous data suggested a range of \$6000 to \$7000. Toorak is located 6.3 km south east of Melbourne's CBD.

(AFR 27.03.18)



## Residential Development

### 176-184 & 186-190 Princes Highway, Kogarah, NSW 2217

Home owners in Sydney's south west have banded together to sell their homes 'in-one-line', to maximise on recent re-zonings. The site at 176-184 Princes Highway, with an amalgamated area of 2,491 made up of 5 lots, sold for **\$9.8 million**. With a potential yield of 56 apartments, this reflects a **rate of \$175,000 per unit site**. The adjoining 186-190 has an area of 3,077 m<sup>2</sup> made up of 5 residential lots. This has a potential 70 apartment yield and sold for **\$10.8 million**, reflecting a **rate of \$154,286 per unit site**. The sites enjoy views of Botany Bay. Kogarah is situated 13.6 km south west of Sydney's CBD.

(AFR 29.03.18)

### 1536 Malvern Road, Glen Iris, VIC 3146

A non-heritage listed church site has been purchased by Chinese Investors for **\$9.5 million**, \$1.5m above price expectations. The property sits on a 1,850 m<sup>2</sup> lot in a residential growth zone and sold with demolition approval. This sale reflects a **rate of \$5,135 psm site area**. Glen Iris is situated 11 km south-east of Melbourne.

(AFR 07.03.18)



### 13 Prospect Street, Box Hill, VIC 3128

A vacant lot positioned in the heart of a major development corridor site has sold for **\$8.25 million**. An adjoining lot recently gained approval for 25 levels of apartments. The 1,004 m<sup>2</sup> site sold on a **rate of \$8,417 psm site area**. Box Hill is located 15 km east of Melbourne's CBD.

(AFR 14.03.18)



## Specialised Properties

### 519 Melbourne Road, Newport, VIC 3015

An under-construction childcare centre in Melbourne's south-west has sold for **\$8.2 million**. The facility, which is scheduled to open in October this year, will have a 130 placement capacity, 3,204 m<sup>2</sup> of floor area and comes with a brand new 15+10+10 year lease agreement which expires in 2052. With a net income of \$520,000 per annum, this sale reflects a **yield of 6.34%**, whilst it shows a rate of **\$63,077 per placement**. Newport is located 9.6 km south-west of Melbourne's CBD.

(AFR 15.03.18, CoreLogic)

### 1-11 Dunnings Road, Point Cook, VIC 3030

Local Pharmacists *Tony Maher* and *Ashim Marfatia* have sold their Point Cook medical facility for **\$9.3 million** to a Hong Kong investor. The 5,332 m<sup>2</sup> corner site is fully-occupied by medical tenants with a passing income of \$493,875 p.a. and a WALE of 6.3 years. It is approved for 25 medical practitioners. The sale **yields a 4.93% return** and gives **rates of \$1,744 psm site area** and **\$8,509 psm lettable area**. Point Cook is located 29 km south-west of Melbourne's CBD.

(AFR 15.03.18)

### 180-182 St Johns Road, Glebe, NSW 2037

The former **Roxbury Hotel** and a terrace house have sold in one-line for **\$5.55 million**. The purchaser intends to follow through with approval gained for a mixed use development comprising 25 self-contained student accommodation units and ground floor retail. This sale shows a rate of **\$11,235 psm site area** and **\$222,000 per proposed unit site**. Glebe is located 2.7 km south-west of Sydney's CBD.

(AFR 22.03.18)

### 10 Lathlain St, Belconnen, ACT 2617



Canberra's **Belconnen Fresh Food Markets** has traded for **\$43.75 million**. The 3 hectare property was bought by ASX-listed *Elanor Investors Group*. It includes 38 non-discretionary stores, a vacant 4,818 m<sup>2</sup> lot with

approval for 170 units and an on-grade car park of 6,077 m<sup>2</sup>. The deal was struck on a **yield of 6.85%** and returns a **rate of \$1,458 psm site area**. Belconnen is located 7 km north west of Canberra's CBD. (See related: Hotel Sales, 193 Clarence Street; Commercial sales, 196 O G Road) (AFR 27.03.18)

### 146-148 West Burleigh Road, Burleigh Heads, QLD 4220

A Gold Coast childcare centre nearing completion has traded for **\$5.86 million**. The centre is leased to **Petit Early Learning Journey** for \$340,000 net p.a. on a new 15-year lease with 3.5% fixed increases and options until 2048. The centre has approval for 108 places, giving this sale a **rate of \$54,259 per placement**,



whilst the centre sold on a **5.8% yield**. Burleigh Heads is positioned 92 km south-east of Brisbane CBD.

(AFR 29.03.18)

### 45 Darling Point Road, Darling Point, NSW 2027



A site pitched at residential developers has been picked up by an adjoining private school for **\$14 million**. The 962 m<sup>2</sup> block of land sold with an R3 zoning and a 4-level height allowance, however purchasers *Ascham School* plan to add the property to their campus and use it for educational purposes. This sale reflects a **rate**

**of \$14,553 psm site area**. Darling point is located 3.8 km east of Sydney's CBD.

(AU 29.03.18)

## Hotel & Leisure

### 161 Brisbane Street & 81 Macquarie Street, Dubbo, NSW 2830

*Brett Harvey* and *Greg Pilon* have upsized their Dubbo hotel portfolio, trading in the **Commercial Hotel** for the nearby **Amaroo Hotel**. It is understood the pair sold the **Commercial Hotel** - which contains a bar, bistro, function room, gaming room with 25 EGMs and a beer garden - for **\$5 million**. They soon-after purchased the four-storey **Amaroo Hotel** for **\$9.1 million** from retiring owners *Jill* and *Graham Tweedie*, a sale which included a bar, nightclub, bistro, function room, 27 EGMs, as well as 24 accommodation rooms. The properties sold on **rates of \$3,066** and **\$4,417 psm site area**, respectively. Dubbo is located 389 km north-west of Sydney's CBD.

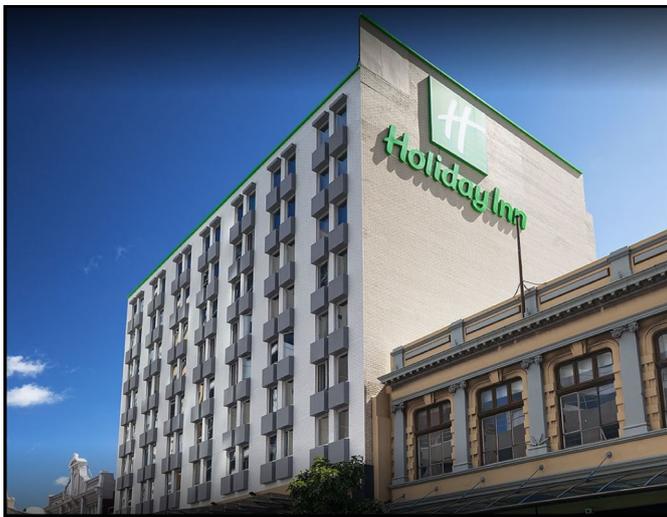
(AFR 01.03.18; AFR 15.03.18)



**788 Hay Street, Perth, WA 6000**

Singaporean group *Legend Land Perth*, who have been described as some of the wealthiest people in Singapore, has bought the **Holiday Inn City Centre Perth** for **\$65 million**. Singaporean investors have been active in the Perth hotel market, buying due to the proximity to their country and for a longer-term counter-cyclical investment. The 188-room hotel recently undertook a multi-million dollar refurbishment and had a new restaurant installed as well. There is a management agreement in place until 2025 with UK Intercontinental Hotels Group. This sale shows a **rate of \$345,745 per room**.

(AFR 23.03.18)



**31 Howard Road, Padstow, NSW 2211**

After operating the business side of the property for some years prior, *John Feros of JDA Hotels* has acquired the **Padstow Park Hotel's** freehold real estate for **\$26 million** at auction. The sale includes a bistro, 20 EGMs and 12 hotel accommodation rooms. The property is situated close to Padstow station, sitting on a 2,723 m2 allotment. The sale reflects a rate of **\$9,548 psm site area**. Padstow is located 21.3 km south-west of Sydney's CBD.

(AFR 22.03.18)

**193 Clarence Street, Sydney, NSW 2000**



*Elanor Investors Group* has sold their **BreakFree on Clarence** hotel for **\$30 million**. The 3.5-star hotel sits on a 310 m2 site with a gross floor area of 2,000 m2 and contains 50 rooms. The sale was done on a **4.3% yield**, reflecting a **rate of \$600,000 per room**. (See related: Commercial Sales, 196 O G Road; Specialised Properties, 10 Lathlain St)

(AU 29.03.18)

**2634 Shute Harbour Road, Jubilee Pocket, QLD 4802**

The **Airlie Cove Resort and Caravan Park** in North Queensland's Whitsundays Region has been acquired by parks and resorts giant *Discovery Parks* for a price of **\$8.2 million**. The resort contains 56 cabins and 80 caravan sites in addition to a swimming pool, water slides, a mini golf course and an outdoor cinema. The property sold on a **rate of \$62,121 per cabin/caravan site**. Jubilee Pocket is located 1,123 km north-west from Brisbane CBD.

(AFR 22.03.18)

**9 Gregory Street, Mackay, QLD 4740**



The **Mackay Grande Suites** in North Queensland has sold for around **\$25 million** to Sydney hotel investment group *Sheep 10*. The hotel will undergo a refurbishment and rebranding to a **Rydges Hotel**, after the new owners struck a management

agreement with hospitality group *Event*. The 4.5 star serviced apartment hotel occupies a 2,148 m2 site and contains 91 rooms, a restaurant, bar, bistro, swimming pool, conference rooms, gymnasium and a gaming room with 45 EGMs. The sale reflects a **rate of \$274,725 per room**. Mackay is situated 950 km north-west of Brisbane's CBD.

(AFR 08.03.18)

**529 Kent Street, Sydney, NSW 2000**

The *Teoh Family* has purchased the world-famous **Tetsuya's** restaurant for **\$53.5 million** from a group of private owners, including *Wakuda Tetsuya*. The restaurant will continue to operate. The 1,607 m2 site adjoins another site owned by the Teoh Family, 320-334 Sussex Street, giving them a 2,600 m2 holding in the southern end of Sydney's CBD, an area popular with developers targeting mixed-use residential and hotel projects (See related: January/February Transactions in Review; Commercial Sales, 630-638 George Street). The sale reflects a **rate of \$33,291 psm site area**.

(AFR 01.03.18)





## LEASING

### Commercial

#### 200 St Georges Terrace, Perth, WA 6000



AFD Power Engineering has committed to a **3-year** lease in Perth's CBD at a **gross annual rent of \$677,500**, at a **rate of \$625 psm lettable area**. The 1,084 m<sup>2</sup> premises makes up the whole 16<sup>th</sup>

floor in an A-Grade office tower. The deal was struck with a "market level incentive"; Savilles Research indicates a 45-53% incentive level for this asset class, whilst Knight Frank research indicates 45-50%.

(AFR 20.03.18)

#### Level 1, 89 York Street, Sydney, NSW 2000

Financial services provider *Cuscal* will occupy the whole first floor of the CBD office building for the next **4-years**. The 516 m<sup>2</sup> floor is fully fitted out with a reception, 3 meeting rooms, boardroom and a separate kitchen. The space will cost the firm approximately **\$850 gross psm lettable area per annum** or **\$438,600 per annum**.

(AFR 20.03.18)

#### 799 Pacific Highway, Chatswood, NSW 2067

Technology company *NCR Australia* has agreed to occupy level 9 of **Tower A** of the **Citadel Towers**, a commercial building in Sydney's lower north shore for **\$563,805 p.a. net**. The deal with *Tackelly Pty Ltd* is over **5-years** for a 1,139 m<sup>2</sup> floor plate and was done on a **net rate of \$495 psm lettable area**. Chatswood is located 12.2 km north of Sydney's CBD.

(AFR 27.03.18)

#### 2-8 Gough Street, Cremorne, VIC 3121

ASX-listed accounting software provider *MYOB* has committed to lease an entire 9-level office building currently under construction, due to be completed February 2020. The 8,800 m<sup>2</sup> property forms part of a mixed-use, urban regeneration project called **The Malt District** along the Yarra River, being developed by Caydon Group.

Cremorne is located 3.4 km south-east of Melbourne's CBD. The price was

undisclosed.

(AFR 05.03.18)



### Industrial

#### 290 Salmon Street, Port Melbourne, VIC 3207



*Diam International* has signed a **5-year** lease for a *GPT Group's* owned industrial unit. The property features a warehouse with high-clearance roller doors, modern office space, showroom space and hardstand. The site is

leased at a **net annual rent of \$248,490**, reflecting a **rate of \$130 psm lettable area**. Port Melbourne is positioned 5 km south-west of Melbourne's CBD.

(AFR 06.03.18)

#### 9 Walker Place, Wetherill Park, NSW 2164

*True Blue Timber* has signed a **5-year** lease for an industrial property containing carpeted and partitioned office space, concrete hardstand and a high-bay warehouse with four high-clearance roller doors. These improvements measure 2,580 m<sup>2</sup> and rest on a 5,630 m<sup>2</sup> site. The lease was struck at a **rate of \$132 psm lettable area**, giving a total rent of **\$340,000 p.a. gross**. Wetherill Park is located 31.9 km west of Sydney CBD.

(AFR 20.03.18)

#### 165 Bazalgette Crescent, Dandenong South, VIC 3175

Manufacturer *Norma Group* has pre-committed to lease a purpose-built 3,000 m<sup>2</sup> office and warehouse facility at the **Logis Eco-Industrial Business Park**. The **7-year** deal will commence when owners *BFD Construction* complete the build, which has already won numerous design awards and seen a surge in demand from businesses who want to relocate to the area. The deal was done at a **gross rate of \$110 psm lettable area**. Dandenong South is located 31.3 km south east of Melbourne's CBD.

(AFR 27.03.18)

#### 30 Loftus Road, Yennora, NSW 2161

A recently refurbished industrial warehouse facility has leased to construction equipment supplier *Porter Group* for **\$544,500 net p.a.** The 3,300 m<sup>2</sup> property is leased for a term of **5-years**. It contains new walls and roof sheeting, new roller shutter doors and a new concrete floor. The property has excess land supply for outside equipment storage. The deal was done on a **net rate of \$165 psm lettable area**. Yennora is located 25.2 km west of Sydney's CBD.

(AFR 27.03.18)



#### **2/24 Columbia Court, Dandenong, VIC 3175**

Investment and development group *Goodman* has leased a newly built industrial and office facility for **\$90 net psm lettable area** over **5-years**. The property is a high-clearance warehouse with two on-grade roller shutter doors and two floors of modern office and lobby space, measuring 3,041 m<sup>2</sup> floor area. *Romak Hardware Distributors* secured the facility which was also offered for sale for \$4.41 million. Dandenong is positioned 31.3 km south-east of Melbourne's CBD. (AFR 20.03.18)

#### **Building 2, 43-49 Cowpasture Road, Wetherill Park, NSW 2164**

A subsidiary of ASX-listed Brickworks, *Austral Precast*, has secured a **5-year** lease with options for a 3,980 m<sup>2</sup> office and warehouse facility for **\$458,000 p.a. net**. The deal includes 3.34% in incentives and 2 months rent free. The property features loading docks, a roller shutter door and high bay racking. The deal was agreed at a **rate of \$115 psm lettable area net**. Wetherill Park is located 31.9 km west of Sydney CBD. (AFR 27.03.18)

#### **30 Loftus Road, Yennora, NSW 2161**

A recently refurbished industrial warehouse facility has leased to construction equipment supplier *Porter Group* for **\$544,500 net p.a.** The 3,300 m<sup>2</sup> property is leased for a term of **5-years**. It contains new walls and roof sheeting, new roller shutter doors and a new concrete floor. The property has excess land supply for outside equipment storage. The deal was done on a **net rate of \$165 psm lettable area**. Yennora is located 25.2 km west of Sydney's CBD. (AFR 27.03.18)

#### **324 Woodpark Road, Smithfield, NSW 2164**

*WesTrucks* has secured a 4,205 m<sup>2</sup> industrial warehouse and office facility with a maximum height of 10.4 m and 5 on-grade roller doors for the next **5-years**. The deal was agreed at a **gross rate of \$131 psm lettable area** with owners *Goodman Group*. Smithfield is located 28.9 km west of Sydney CBD. (AFR 20.03.18)



## **PROPERTY FUNDS & CAPITAL RAISINGS**

### **Normura funds Wolfdene land acquisition in Melbourne's south-east.**

A global syndicate funded by Japanese bank *Normura* have financed the **\$100 million** acquisition of **Brompton**, a 100 hectare Greenfield development site in Cranbourne South. This move follows a trend of local developers turning to international capital, due to traditional finance sources losing their appetite for large development loans (See related: January/February Transactions in Review: Property Funds and Capital Raisings, Welsh Group). (AFR 05.03.18)



## 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

## 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 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 & 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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- ◆ Philippines
- ◆ Thailand

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