

Portfolio

MAGAZINE

- + PEOPLE
- + LEADERSHIP
- + NEW PROPERTIES

FEATURE ARTICLE

Pack the Combi:
Beachside adventures and a
commercial property road trip

FOCUS ON TASMANIA

The incredible growth in
Australia's commercial property
market in recent years is no secret.



Our Asset Management team are here to help you.

Purchasing a property is only the start of your journey. It is essential that you remain at the forefront of the industry's ever-changing statutory requirements, case law, market requirements, tenant requests, assignment of leases and lease variations. With decades of property management experience, and in excess of \$11 billion assets in management across Australia, our dedicated Burgess Rawson asset management teams can increase your property's value, identify opportunities for growth and protect your returns.

Focus on
Tasmania
P63

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Martin Fisher
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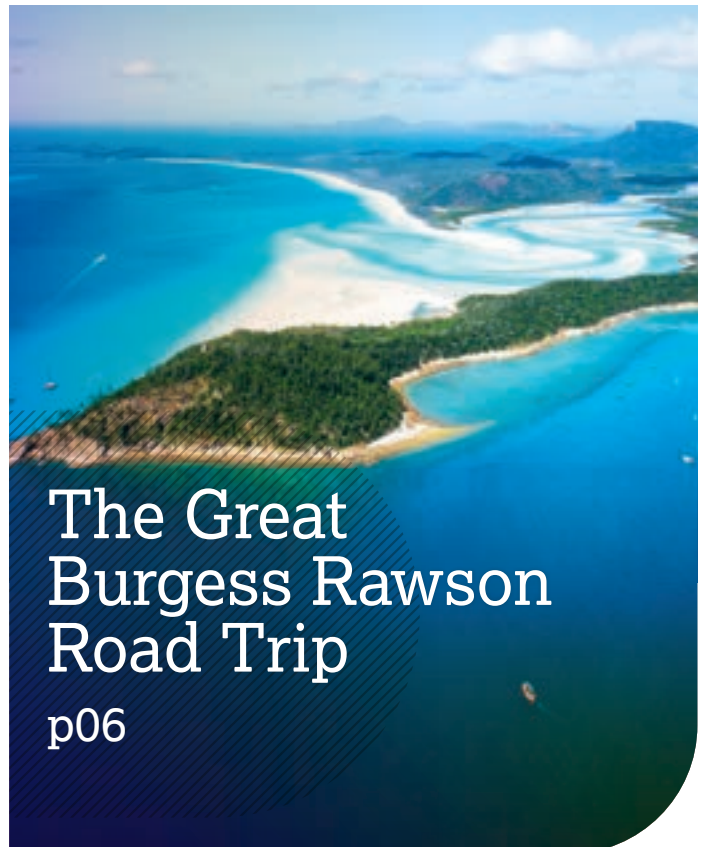
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Welcome



EDITOR Jamie Perlinger

 JAMIE.PERLINGER

Welcome to the March edition of Portfolio magazine – your exclusive preview of the properties coming to market, and insights into the trends shaping Australia’s commercial property market.

At Burgess Rawson we understand the true value of property – not just in monetary terms, but in how it’s tied up with ambitions, hopes, dreams and plans for the future. That’s why, as devastating bushfires affected people and properties across the nation on an unprecedented scale in early 2020, Burgess Rawson pledged to donate \$1,000 for every property sold under the hammer in February. This includes sales from our special 7-Eleven Portfolio Auction and the Melbourne and Sydney Portfolio Auctions.

The 7-Eleven Auction held in October was regarded by many as the most talked about commercial property portfolio of 2019, where all 15 sites were sold in under three and a half hours. The February event proved equally as successful, where the final tranche of 18 properties also achieved an extraordinary 100% clearance rate, demonstrating that there is still a significant amount of demand in the fuel and convenience retail market.

Our iconic Portfolio Auctions in Sydney and Melbourne saw 11 properties sold under the hammer, bringing us to a grand total of more than \$29,000 for those affected by the bushfires. Funds will be directed to local, state-based communities, many of whom we work with on a regular basis.

Highlighting a bright future for regional Australia, our Regional Focus for March showcases Tasmania, providing an insight as to how Australia’s southernmost state is punching well above its weight and delivering some enticing returns to investors. Over the coming months we’re also taking you on a road trip. We’ll visit tourist hotspots to learn more about buying and leasing in your favourite getaway destinations, starting with Queensland!

Not keen on a road trip? How about a staycation? Our leasing feature looks at the food and beverage sector, where restaurants are positioned as “destinations” and eating out can be an event in itself, with hundreds of dollars spent in one sitting. Patrons are demanding far more from their food and beverage offerings, and for commercial property owners and landlords this growth in consumer expectations and discretionary spending is of enormous importance, inspiring confidence for the future and impacting everything from investment in fitouts to planning for a successful mix of food outlets in strip retail precincts or shopping centres.

Finally, Martin Fisher, Director of Asset Management in Sydney, answers questions regarding doing your due diligence when purchasing commercial property in our Q&A.

I hope you enjoy this edition of Portfolio. Enjoy the journey, and we look forward to working with you on your next commercial property move!



Portfolio Team

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BURGESSRAWSON.COM.AU

Burgess Rawson’s Portfolio Magazine requires a creative collective committed to producing a premium property publication that people just won’t want to put down.

Our diverse and forward-thinking Portfolio Team is drawn from Burgess Rawson’s offices across Australia, working collaboratively and each contributing their unique skill set to bring you a magazine we’re proud to call our own.

Highlights

In the lead up to our next Portfolio Auctions, this month's magazine features a diverse array of properties, including investment opportunities from some of our most enduringly popular asset classes; fast food, auto-retail and childcare, and a number of fuel outlets following our highly successful 7-Eleven Portfolio Auction in February.



Sought-After KFC Investment

p. 41

Location: Taree NSW
Income: \$145,684 pa + GST
Auction



100% Leased to Federal/State Government

p. 50

Location: Hamilton VIC
Income: \$591,961 pa + GST
Auction



Prime Gold Coast Investment

p. 24

Location: Southport QLD
Income: \$260,000 pa + GST
Auction



Lease to Global Auto Giant Subsidiary

p. 49

Location: Launceston TAS
Income: \$196,779 pa + GST
Auction



Be Part of Canberra's Second CBD

p. 30

Location: Dickson ACT
Income: Off Plan
Off Plan



The Great Burgess Rawson. Road Trip



In the words of Dorothea Mackellar, we live in a “land of sweeping plains, of ragged mountain ranges”. From rainforests and deserts to ski-fields and golden sandy beaches, our sunburnt country is one of the most popular tourism destinations worldwide. Many travellers take themselves on the great Aussie Road Trip, and with more than 800,000 kilometres of highways, the options are endless!

You can take in the scenery, enjoy a delicious meal or refuel the car before hitting the open road once again. It’s the businesses and services that you visit in these picturesque regions that bring the towns to life. The beachfront eateries, bustling entertainment venues, highway service stations and fast food outlets along busy motorways.

Over the next few editions of Portfolio we are showcasing these locations as superb centres for prime commercial real estate – attractive not only for their natural and developed beauty but for investors, owner occupiers and tenants alike.

Our first feature commences in North Queensland with Cairns, Townsville, Airlie Beach and Rockhampton, before heading south to the Sunshine Coast, Brisbane and the Gold Coast, including areas dotted along the border.

It’s no secret Australians have had a love affair with Queensland for decades thanks to its year-round tropical climate. More than 26 million domestic and international visitors travel to Queensland and almost \$13 billion worth of tourism is contributed into the state’s economy each year.



Cairns QLD

Population: 165,525 **Annual visitors:** 2,866,000 **Annual tourism investment:** \$2.301bn

Cairns is the gateway to Queensland’s tropical north, where the rainforest meets the reef. Whether you want to snorkel with the turtles in the Great Barrier Reef or take in the panoramic views from a journey on the Skyrail Rainforest Cableway, it’s a city that is best enjoyed outdoors. Chinese, Japanese and American tourists top the international visitor list spending about \$1,100+ per trip, with an impressive 2,300+ businesses servicing the region.

Rockhampton QLD

Population: 81,067 **Annual visitors:** 1,290,000 **Annual tourism investment:** \$422m

About 500km south of Airlie Beach is Rockhampton, the beef capital of Australia. More than 700 tourism businesses are based in Rockhampton to cater for the visitors, with 51,000 international tourists paying a visit (mainly from Germany, New Zealand and the UK) and a whopping 1,240,000 domestic travellers ticking Rockhampton off their bucket list.

According to Glenn Conridge, who heads up sales in Queensland, Rocky has become a popular city with southern investors. “Recently we sold a new United fuel station for \$4.7 million on a 6.5% yield. The asset was leased for 15 years with 3% annual increases. Buyers were motivated by the strength of the local economy and the fact that solid investment opportunities are not as prevalent as in south east Queensland.” Glenn is very positive about the greater Rockhampton region given its access to unique tourism hot spots and the underlying economic drivers of beef and mining.

Hervey Bay QLD

Population: 63,000 **Annual visitors:** 3,100,000 **Annual tourism investment:** \$467m

Hervey Bay is located a comfortable three and a half hours’ drive or 45 minute flight north of Brisbane. Qantas and Virgin Australia now fly directly to Hervey Bay from Sydney and Brisbane. Hervey Bay’s abundance of natural assets include the Great Sandy Strait, and World Heritage Site, Fraser Island. Hervey Bay is renowned as a “must do” destination for backpackers and is the main access point to Fraser Island and Lady Elliot Island on the Southern Great Barrier Reef. Recognised as the Whale Watching Capital of the World, Hervey Bay is home to the majestic humpback whales from July to early November.



Gold Coast QLD

Population: 606,774 **Annual visitors:** 11,423,000 **Annual tourism investment:** \$4.97bn

While Brisbane promises the hustle and bustle of a city, the Gold Coast offers coastal living and prime beachside development opportunities. Tourists from China, New Zealand and the UK top the international visitor list with more than 982,000 people worldwide choosing to stay on the Gold Coast each year. International tourists pour \$1.24 billion per annum into the local economy, but it’s the trips made by Aussies that account for the majority, totalling \$3.73 billion.

Sunshine Coast QLD

Population: 319,922 **Annual visitors:** 6,698,000 **Annual tourism investment:** \$1.84bn

Several beaches are nestled along the coastline in this region with Caloundra, Coolum, Maroochydore, Peregian and Noosa being popular destinations. Domestic travellers account for a whopping 98% of all visitors, spending \$598 for an overnight adventure or \$94 for a day trip. Not surprisingly, more than 4,100 tourism businesses call the Sunshine Coast home to cater for the industry’s annual spend of \$1.84 billion.

The sunshine coast now boasts a distinct commercial investment property investment market with the latest sale being the brilliant ARTISAN shop opposite the beach at Cotton Tree. The sale for \$2.7 million on a strong yield of 6.5%- to an interstate investor is further proof of the interstate interest in the region. This sale follows on from the Buderim childcare centre sold for \$4.11m at a yield of 6%. According to Glenn Conridge “There is optimism around the growth in infrastructure and population growth assisted by the easy access to Brisbane”



Whitsundays QLD

Population: 35,050 **Annual visitors:** 1,048,000 **Annual tourism investment:** \$789m

Cruising down south from Townsville you can stop and stretch your legs at Ayr or Bowen, before arriving at the famous Airlie Beach. Considered the entrance to the Whitsundays, Airlie Beach is home to some of the most picturesque sights in the world. For a town only hosting about 35,000 people, domestic and international tourists inject almost \$800 million into the economy annually.

Byron Bay NSW

Population: 34,574 **Annual visitors:** 2,033,000 **Annual tourism investment:** \$769m

On the last leg of the road trip is the haven of Byron Bay – home of international celebrities, free-spirited residents and an abundance of tourists. The renowned sandy beaches and heaving restaurant scene attracts over two million people each year. In addition to the famous international festivals such as Byron Bay Bluesfest, Splendour in the Grass, and Falls, there are activities to enjoy all year round including the Cape Byron Lighthouse walk, the Crystal Castle adventure and surfing at Wategos.

Queensland and Northern New South Wales offer an idyllic lifestyle second to none. The strong population growth combined with its affordability in property has made this part of Australia an ideal investment location. Attractive yields on commercial properties are available to investors and the diversity of the state and surrounds ensures business success on a local and global scale.

Keep a look out for Burgess Rawson's next edition of Portfolio, where we will be continuing our road trip through New South Wales and beyond.



“Coolangatta is emerging as one of the most sought-after locations on the Gold Coast. Iconic Aussie brands such as BWS are guaranteed to capture investor attention. A prime example was a store located on the ground floor of a popular apartment block on prominent Griffith Street. Servicing regular and thirsty clientele all year, it's a rare asset in an ideal holiday location.”

Michael Gilbert

Please note all facts and figures cited in this story have been extracted from Tourism Research Australia. For more information, visit <https://www.tra.gov.au/Regional/Local-Government-Area-Profiles/local-government-area-profiles>.



Investment Portfolio Auctions

SYDNEY

11AM AEDT
TUESDAY 31 MARCH 2020
DOLTONE HOUSE HYDE PARK,
181 ELIZABETH STREET, SYDNEY

MELBOURNE

11AM AEDT
WEDNESDAY 1 APRIL 2020
RIVER ROOM, CROWN CASINO,
MELBOURNE

Sydney Portfolio Auction Listings

11am AEDT Tuesday 31 March 2020, Doltone House Hyde Park, Sydney

Tenant	Location	State	Income pa	Page
Caltex	Edmonson Park	NSW	\$425,000	18
Oporto and Zambrero	Cessnock	NSW	\$299,101	32
Restaurant & Residential	Newtown	NSW	\$278,873	36
Childcare Centre	Port Macquarie	NSW	\$195,000	38
Chemist Warehouse	Port Macquarie	NSW	\$184,878	39
Childcare Centre	Mosman	NSW	\$170,000	28
KFC	Taree	NSW	\$145,684	41
Commonwealth Bank	Merimbula	NSW	\$136,555	42
Westpac Bank	Broken Hill	NSW	\$88,000	43
Restaurant	Sydney	NSW	\$85,984	34
St George Bank & Pizza Hut	Lithgow	NSW	\$83,340	44
Queensland Government & CFMEU	Rockhampton	QLD	\$597,708	46
Rivers	Bundaberg Central	QLD	\$207,594	26
Vacant Retail	Broadbeach (Gold Coast)	QLD	n/a	48

Upcoming Sydney Auction Dates:

Doltone House Hyde Park, 181 Elizabeth Street, Sydney

Portfolio 136
12 May 2020

Portfolio 137
23 June 2020

Portfolio 138
4 August 2020

Portfolio 139
15 September 2020

Melbourne Portfolio Auction Listings

11am AEDT Wednesday 1 April 2020, River Room, Crown Casino, Melbourne

Tenant	Location	State	Income pa	Page
Shell	Yarraville	VIC	\$629,922	16
Centrelink	Hamilton	VIC	\$591,961	50
Liberty	Rosebud	VIC	\$420,000	20
Woodlands Childcare	Truganina	VIC	\$398,775	51
United	Truganina	VIC	\$362,949	52
The Bluestone	Ballarat	VIC	\$320,000	53
Sparrow Early Learning	Tarneit	VIC	\$314,062	22
Griffiths Goodall	Shepparton	VIC	\$255,500	54
Shell	Dandenong	VIC	\$244,745	55
Liquorland	Karingal	VIC	\$99,500	56
The Stags Head Hotel	Williamstown	VIC	\$88,000	57
Office Building	Mount Waverley	VIC	\$86,797	58
Rye Family Dental Care / Bupa	Rye	VIC	\$59,964	59
Rye Veterinary Clinic	Rye	VIC	\$59,555	59
Caltex	Moama	NSW	\$165,036	40
Liberty	Helensvale	QLD	\$296,925	45
Hoppys Carwash	Southport	QLD	\$260,000	24
RepcO	Launceston	TAS	\$196,779	49
Kis Active Childcare Centre	Hilbert	WA	\$217,500	60

Upcoming Melbourne Auction Dates:

River Room, Crown Casino, Melbourne

Portfolio 136
13 May 2020

Portfolio 137
24 June 2020

Portfolio 138
5 August 2020

Portfolio 139
16 September 2020

For Sale Listings

Tenant	Location	State	Income pa	Sale Method	Page
Coffs Harbour City Council + Others	Coffs Harbour	NSW	\$1,264,477	Expressions of Interest	14
Coffs Harbour City Council	Coffs Harbour	NSW	\$850,000	Expressions of Interest	14
Coffs Harbour City Council + Others	Coffs Harbour	NSW	\$128,858	Expressions of Interest	14
Coffs Harbour City Council + Others	Coffs Harbour	NSW	\$60,500	Expressions of Interest	14
Metro Petroleum	Orange	NSW	\$227,700	Expressions of Interest	37
DKSN	Dickson	ACT	n/a	Expressions of Interest	30
Development Site	Midvale	WA	n/a	Private Sale	61

Portfolio Auctions

Find an investment opportunity in our nationwide property portfolio. By bringing together exceptional commercial opportunities and matching them to active investors, our portfolio campaigns are the key to securing the right commercial property for you.

Contact our sales team today.



Australia's Property People
burgessrawson.com.au

4 Freehold Investments Under Council Instructions



Anchor Tenant: Coffs Harbour City Council

Coffs Harbour NSW

Key CBD locations

Investments with future upside (STCA)

27-29 Duke Street

- + Prominent 3 storey freehold on high profile 2,023 sqm corner
- + 100% tenanted, new 3 year lease + options to Coffs Harbour City Council
- + Other major tenants: Property NSW & Uniting Church Australia
- + NLA: 4,185 sqm + 52 car spaces
- + 5.5-star NABERS Energy rating
- + **Net Income: \$1,264,477 pa + GST**

2 Castle Street

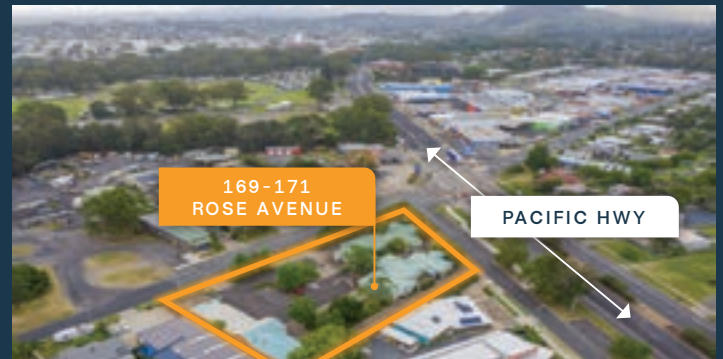
- + Landmark 2 storey Council Chambers on 3,038 sqm site
- + New 3 year net lease + options to Coffs Harbour City Council
- + NLA: 3,172 sqm + 45 car spaces
- + B3 Commercial Core zoning and FSR of 4.5:1 allows future potential upside (STCA)
- + 5-star NABERS Energy rating
- + **Net Income: \$850,000 pa + GST**



27-29 Duke Street



2 Castle Street



215A Harbour Drive

- + Recently refurbished highly prominent commercial cottage
- + New 3 year lease + options to Coffs Harbour City Council as a Heritage Listed Museum
- + Substantial 1,731 sqm site
- + NLA: 251 sqm + parking
- + Suitable for investors, future owner occupiers (eg. Medical) or developers
- + **Net Income: \$60,500 pa + GST**

169-171 Rose Avenue

- + Prime office buildings with corner highway exposure
- + Additional garages & storage for future rental / add-value
- + Massive 4,040 sqm site with extensive 150m+ frontage
- + NLA: 755 sqm + 39 car spaces
- + Suitable for investors, future owner occupiers or developers
- + **Net Income: \$128,858 pa + GST**



Contact

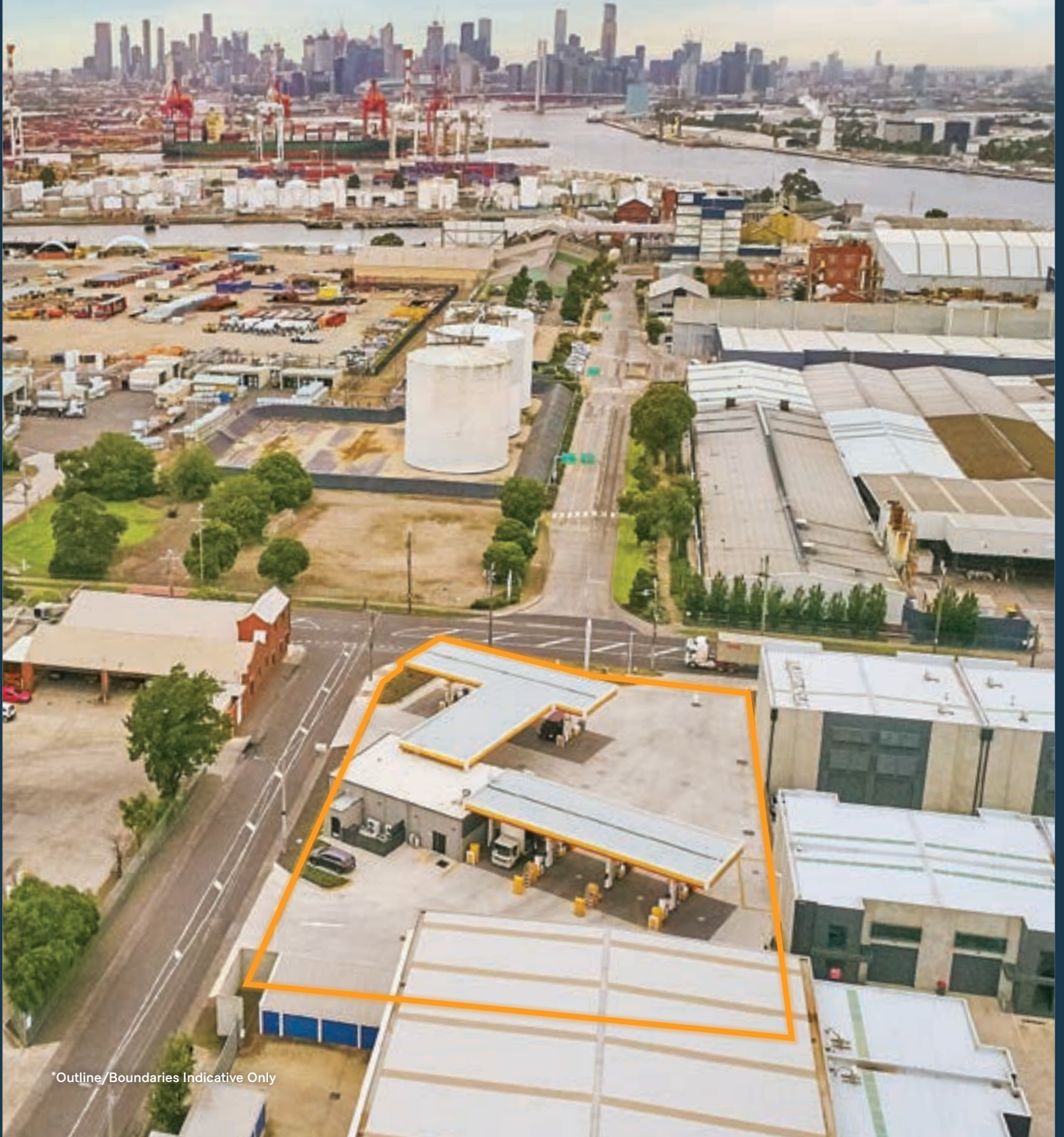
Darren Beehag 0411 226 223
Simon Staddon 0413 640 851



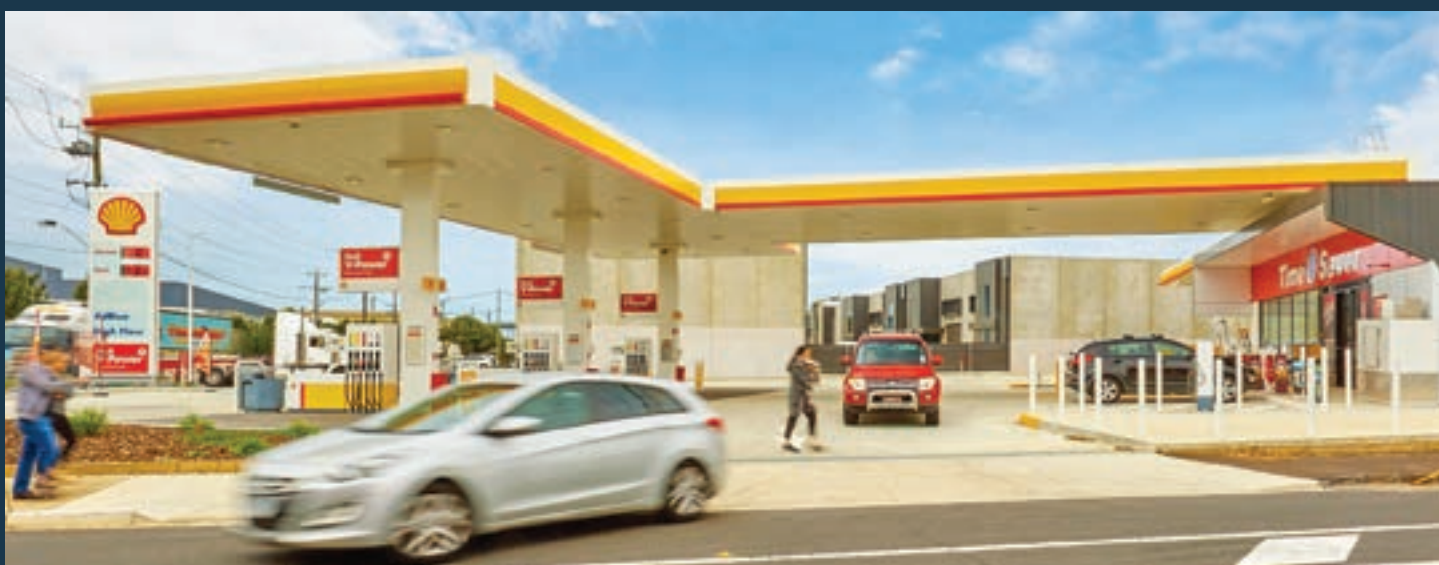
Expressions of Interest

Offers Closing
4pm AEDT
Thursday 9 April

Brand New, City Fringe Retail Investment



*Outline/Boundaries Indicative Only



New Standalone Shell/Viva Fuel and Convenience Retail Freehold



Yarraville VIC, 250-258
Whitehall St (corner Leek St)

Brand new 10 year lease

Blue-Chip \$3.53 billion tenant

Adjoins \$34 mill# business park and opposite CSR Gyprock HQ

Net Income: \$629,922 pa + GST

+ Prime 3,080 sqm, inner-city corner site 1km to Port of Melbourne, which handles 36%[<] of Australia's container trade

+ Strategic location 5km to Melb CBD, 1km to Westgate Freeway and 750m to Yarraville Station

+ New, latest-design buildings inc 4 truck bays with 5.5m clearance

+ Yarraville/Spotswood: Forecast 51% population growth by 2041[>]



Contact

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Billy Holderhead 0422 817 696
Zomart He 何梓轩 0488 220 830



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC

[#] Herald Sun, [<]Port of Melbourne, [>] forecast.id

Sydney's Newest Service Station Sydney's Fastest Growing Area





Brand New Premium Service Station Direct Lease to Caltex



Edmondson Park (Liverpool) NSW
2072 Camden Valley Way

New 10 + 5 + 5 + 5 year lease

Prime position on Busy
Camden Valley Way, booming
South West Sydney location

Net Income: \$425,000 pa + GST

- + Brand new service station, part of Sydney's newest service centre
- + Circa 55,000 cars per day (nearest RMS counter)
- + Net lease with Caltex paying all outgoings (as per lease)
- + Already busy convenience store
- + Close to M7 & M5 access points
- + Substantial depreciation allowances
- + Massive local population & housing growth



Contact

Michael Gilbert 0430 024 790
Rhys Parker 0451 101 042



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW

New 15 Year Net Lease to ASX Listed Viva Energy





Blue-Chip Rosebud Investment 15 Year Net Lease To Viva Energy



Rosebud VIC, 803 Point Nepean Road (corner Adams Avenue)

Brand new 15 year lease direct to ASX listed Viva Energy

All outgoings paid by the tenant including Land Tax

Net Income: \$420,000 pa + GST

- + Commercial 1 corner with triple frontage totalling over 100 metres
- + Significant depreciation benefits
- + Brand new improvements and high clearance canopy to allow watercraft refuelling
- + Surrounded by accommodation, caravan parks & camping at foreshore
- + Gateway to Rosebud retail centre incl. Rosebud Beach Shopping Centre, Rosebud Plaza and ALDI



Contact

Jamie Perlinger 0413 860 315
Scott Meighan 0413 830 709



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC

Impressive Childcare Investment Listed Tenant with 4% pa Rent Increases

TARNEIT
TRAIN STATION
← 840M

MELBOURNE
CBD 25KM

TARNEIT CENTRAL
SHOPPING CENTRE
COLES, KMART, ALDI +
42 SPECIALTY STORES

DERRIMUT RD

MARENGO ST

*Outline/Boundaries Indicative Only





Immaculate Childcare Investment 15 + 10 + 10 Year Net Lease to 2052



Tarneit (Melbourne) VIC
28-34 Marengo Street

Modern 950 sqm purpose built
facility licensed for 120 places

Prominent 2,772 sqm site

Net Income: \$314,062 pa + GST

+ Sparrow EL: part of Fullshare Holdings Ltd, listed on the Hong Kong Stock Exchange (SEHK:607) – Market Cap \$2.7B

+ Opposite Tarneit Central SC, Coles, Kmart and ALDI

+ Wyndham City: one of Australia's largest growth areas – forecast population increase of 82% to 512,591 residents by 2041



Contact

Adam Thomas 0418 998 971
Natalie Couper 0413 856 983



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC

State-of-the-Art Car Wash Investment

SURFERS PARADISE

HOPPY'S CAR WASH
92 FERRY ROAD
SOUTHPORT (GOLD COAST)

*Outline/Boundaries Indicative Only



Prime Gold Coast Investment New 10 + 10 + 10 Year Lease to 2050



Southport (Gold Coast) QLD
92 Ferry Road

Fixed annual 3% rent increases

Prime corner site with massive exposure to estimated 23,000 plus vehicles daily

Net Income: \$260,000 pa + GST

- + Land size 1,607 sqm with 3 street frontages opposite Freedom Furniture & Porsche
- + Hoppys Car Wash: established chain of 10 outlets throughout Brisbane & The Gold Coast
- + State-of-the-art facility with café & drive-thru
- + Tenant pays all outgoings as per the lease, incl. land tax & mgmnt.
- + Cash bond of \$71,500 (incl. GST)



Contact

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Pat Kelly 0412 244 456
Raoul Holderhead 0413 860 304
Darren Beehag 0411 226 223



Auction

11am AEST
Wednesday 1 April
River Room, Crown Casino,
Melbourne, VIC

Renewed 4 + 4 Year Lease to 2027 Secure ASX Listed Tenant





Prime CBD Location Nationally Recognised Tenant



Bundaberg QLD
121 Bourgong Street

Mosaic Brands: over 1,350 stores nationwide across 9 premium brands

High profile ASX listed group with over \$860m in annual revenues

Net Income: \$207,594 pa + GST

- + Strategic 1,333 sqm CBD land parcel
- + 1,650 sqm building with rare 26.6m frontage to Bundaberg's most important commercial street
- + Close to Westpac, Priceline and other national brand names
- + Bundaberg: coastal city with over 100,000 population at the south of the Great Barrier Reef
- + Rivers: occupied site for 10+ years
- + Rare 4% annual increases



Contact

Michael Gilbert 0430 024 790
Glenn Conridge 0413 873 337



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW

Trophy Sydney Childcare Investment

MOSMAN RETAIL STRIP
FITNESS FIRST
BRIDGEPOINT SHOPPING CENTRE





*Outline/Boundaries Indicative Only

Lower North Shore Investment New 12 Year Lease to 2032 + Options



Mosman NSW
6 Bond Street

Prestigious Blue Ribbon suburb 7 km from Sydney CBD

Convenient to Bridgepoint Shopping Centre, thriving retail strip, cafes & city transport

Net Income: \$170,000 pa + GST

- + Mosman: one of the most affluent and highly desirable family friendly locations to live and to invest in Australia
- + Headland Montessori Mosman campus is a highly acclaimed centre with a long history of high occupancy
- + Annual 2.75% fixed rental increases ensuring rental growth



Contact

Michael Vanstone 0403 580 528



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW



Be A Part of Canberra's Second CBD Opening 2020 75% Already Sold





*Artist's Impression

Canberra's Cultural Inner North Hub Exciting Blend of Diversified Tenancies

DKSN

Dickson ACT
Northbourne Avenue

50 unique opportunities

Office space from
220 sqm to 500 sqm

Retail & restaurant space from
8 sqm to 400 sqm

- + Exciting Eat Street and Electric Lane zones
- + Major transport hub delivering 15,000+ daily commuters
- + 2000+ office workers
- + 450 residents
- + 285 space underground secure parking
- + High profile main road signage



Contact

Guy Randell 0430 272 999
James Baker 0421 863 040



For Sale

From \$65,000 to \$2.75M

Premium Fast Food Investment Prime Location





Renewed 12 Year Lease to Oporto New 10 Year Lease to Zambrero

Zambrero **oporto**

Cessnock (Hunter Valley) NSW
16-20 Allandale Road

Rare dual tenanted
fast food investment

Annual 3% rent increases

Net Income: \$299,101 pa + GST

- + Busy main road location opposite high trading McDonald's and close to KFC, 7-Eleven etc.
- + Strategic 2,423 sqm land parcel
- + Drive-thru Oporto, always busy
- + Direct head office leases, secure and stable income, no franchisees to worry about
- + Just refurbished valuable depreciation allowances
- + Cessnock: strong & growing Lower Hunter Valley town



Contact

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Rhys Parker 0451 101 042



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW

Iconic World Class Location



TAGO – AN JAPANESE RESTAURANT



CROWN CASINO BARANGAROO

*Outline/Boundaries Indicative Only



Entry Level Sydney City Investment New 5 + 5 Year Lease from 2020

Millers Point (Sydney CBD) NSW
23-25 Kent Street

Iconic Sydney location between
The Rocks and Barangaroo

Guaranteed rental growth,
fixed 4% annual rental increases
(rent over \$100,000 pa in 2024)

Net Income: \$85,975 pa + GST

- + Renewed 5 year lease from 14 January 2020 + option
- + Busy restaurant investment in affluent world class location
- + Tago-an: established licensed Japanese Restaurant
- + Valuable dual frontage to Kent St
- + Next to Lord Nelson Hotel & Brewery (Sydney's oldest hotel) and popular bars and restaurants
- + Net lease, tenant pays outgoings, as per the lease

tago-an 



Contact

Rhys Parker 0451 101 042
Simon Staddon 0413 640 851



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW



*Outline/Boundaries Indicative Only

Premium Inner Sydney Investment Major Building Upgrade Completed 2019

Newtown NSW
403-405 King Street

100% leased to two tenants
on brand new 5 year and
4 year leases

Up to 4% rent increases

Net Income: \$278,873 pa + GST

- + Prime King Street freehold only 200 m to station and exposed to 19,411 passing vehicles daily
- + Immaculate retail & residential premises fully redeveloped 2019
- + Experienced multi restaurant tenant and proven accommodation operator
- + Double frontage, rear lane access and two valuable car spaces

Contact
Darren Beehag 0411 226 223
Kieran Bourke 0417 418 007

Auction
10:30am AEDT
Thursday 2 April
Level 5, 1 Margaret Street
Sydney, NSW



High Profile Highway Service Station Recent Tenant Investment Circa \$700k



Orange NSW
68 Bathurst Rd (Midland Hwy)

Secure 10 year lease to 2029
plus options to 2049

Tenant pays all outgoings incl.
Land Tax and structural repairs

Net Income: \$227,700 pa + GST

- + Fixed annual 3.5% rental increases
- + Leased to experienced operators plus security deposit and corporate guarantees
- + Fully refurbished improvements; workshop, immaculate convenience store, fast food restaurant & new fuel lines
- + Orange: Capital of Central West NSW with diverse economy & circa 100,000 residents within 50km



Contact

Scott Meighan 0413 830 709
Kieran Bourke 0417 418 007



For Sale by EOJ

Closing 4pm AEDT
Thursday 2nd April 2020
(Unless sold prior)



*Outline/Boundaries Indicative Only

FERNHILL ROAD



Long 20 Year Lease to 2037 + Options Newly Renovated 75 Place Childcare



Port Macquarie NSW
8 Fernhill Road

9 primary schools within 3 km

Immaculately presented
centre with a long history of
100% occupancy

Net Income: \$195,000 pa + GST

- + Outstanding location amongst the commercial area near Charles Sturt University campus and Base Hospital
- + Port Macquarie: a diverse economy with population forecast to grow by 25% to over 60,000 by 2027
- + Little Beginnings: experienced childcare provider with 12 other centres in NSW and growing
- + Minimum 3% fixed rent increases with 'ratchet' provisions ensuring annual rental growth



Contact

Michael Vanstone 0403 580 528



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW



Absolute Prime Main Street Freehold Recent Chemist Warehouse Lease

Port Macquarie NSW
62-64 Horton Street

Chemist Warehouse: Australia's
largest pharmacy retailer

Fixed 3% annual rental increases

Net Income: \$184,878 pa + GST

- + Strategic 426 sqm Horton St site
- + Busy high traffic location
- + Impressive two storey building
- + High quality fitout just completed
- + Valuable on site parking at rear
- + Port Macquarie: rapidly growing Mid-North Coast region



Contact

Rhys Parker 0451 101 042
Michael Gilbert 0430 024 790



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW



Secure 10 Year Net Lease to Caltex Town Entry Position in Tourist Mecca



Moama NSW
73 Meninya St (cnr Regent St)

10 year lease to October 2024
plus options to 2034

Net lease structure with
tenant paying usual outgoings
including Land Tax

Net Income: \$165,036 pa (approx)

- + Caltex Australia Pty Ltd – Australia’s largest ASX listed fuel retailer, Market Cap \$8.42B
- + Cobb Hwy location opposite Woolworths anchored SC
- + 2,088 sqm site, 13,800 VPD
- + Inc convenience store & car wash
- + Echuca/Moama: thriving Murray River tourist mecca, trade catchment circa 50,000, plus year round holiday influx



Contact

Scott Meighan 0413 830 709
Raoul Holderhead 0413 860 304
Kieran Bourke 0417 418 007



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC



Highly Sought After KFC Investment 10 Year Lease to 2024 Plus Options



Taree NSW
38 Victoria Street (Cnr Stevenson St)

Commanding 1,770 sqm
main road corner site

Long established KFC in
prominent business precinct

Net Income: \$145,684 pa + GST

- + Rare KFC investment – recognised worldwide brand
- + Ideal high traffic location only 700m to Taree CBD
- + Modern indoor/outdoor dining, drive thru and on site parking
- + Taree: powerhouse mid-coast region 50,000+ trade catchment



Contact

Tom Doran 0407 928 324
Dean Venturato 0412 840 222



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW



Prime Freehold Investment Leased to Commonwealth Bank

Merimbula (South Coast) NSW
51 Market Street

Long term occupant with
lease to 2023 + options

Popular retail/commercial
precinct between Bega & Eden

Net Income: \$136,555 pa + GST

- + Superb position in centre of main commercial precinct
- + Prime 325 sqm two storey building with wide 12 m frontage
- + Large 636 sqm CBD landholding
- + 8 on site car spaces plus large Council carpark directly behind
- + Serviced by airport, Bega Valley Shire has population of 34,000
- + Neighbours incl. Westpac, Amcal, NAB, Australia Post & McDonald's

CommonwealthBank 



Contact

Darren Beehag 0411 226 223
Simon Staddon 0413 640 851



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW



Absolute Prime Main Street Freehold Just Renewed Lease to Westpac



Broken Hill NSW
297-301 Argent Street

Brand new 3 + 3 + 3 year lease
to Westpac

Westpac: top 4 ASX publicly
listed company

Net Income: \$88,000 pa + GST

- + Modern bank premises plus 18 accommodation rooms on first floor
- + Long established tenant
- + Large 766 sqm site with undercover parking at rear
- + Major regional city, population around 17,700 people
- + Fixed 3% annual rental increases
- + Unused 17 accommodation rooms – potential for additional income
- + Net lease, tenant pays outgoings as per lease



Contact

Rhys Parker 0451 101 042
Dean Venturato 0412 840 222



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW



Main Street Freehold Investment Two Established National Tenants




Lithgow NSW
132-134 Main Street


St George: one of Australia's
leading Retail & Business Banks

Pizza Hut: the largest pizza
company in the world

Net Income: \$83,340 pa + GST

- + Secure leases to 2022 + options
- + Easy two hour drive from Sydney
- + Imposing 18 metre frontage + rear lane access
- + Valuable undercover onsite parking
- + Surrounded by supporting retailers
- + Net leases requiring tenants to pay outgoings

 **Contact**
Rhys Parker 0451 101 042
Dean Venturato 0412 840 222

 **Auction**
11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW



Prime Gold Coast Investment Opposite Westfield Shopping Centre



Helensvale (Gold Coast) QLD
15 Millaroo Drive

15 year net lease to 2032 + opts

All usual outgoings paid by
the tenant

High exposure corner site

Net Income: \$296,925 pa + GST

- + Opposite Helensvale Westfield, anchored by Woolworths, Coles, ALDI, Target and Kmart
- + As new improvements providing tax saving depreciation benefits
- + Liberty: wholly owned subsidiary of ASX-listed Viva Energy
- + Strategic retail convenience position metres to the Pacific Mwy and Gold Coast Hwy



Contact

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Doug Doyle 0400 564 623
Scott Meighan 0413 830 709



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC

100% Leased Government Investment



*Outline/Boundaries Indicative Only



Secure Government 5 Year Lease to 2025 + Options to 2029



Rockhampton QLD
152-156 Bolsover Street

Central Qld Health: in occupation 8 years, recently renewed 5 year lease + options

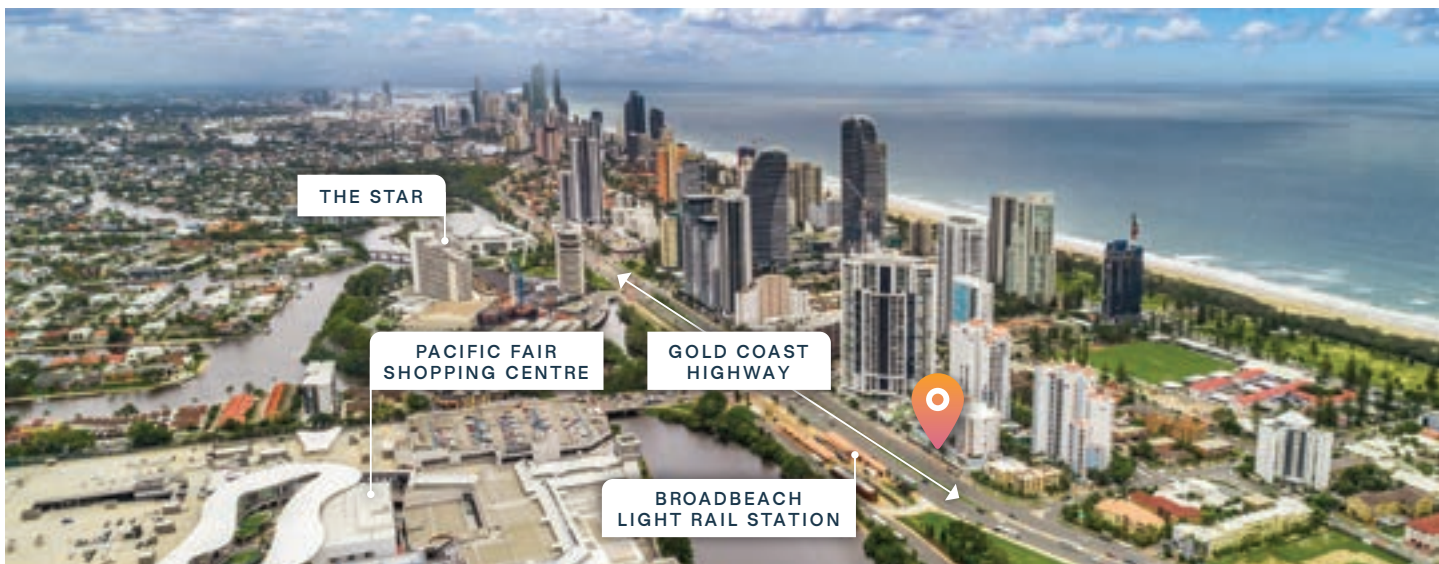
CFMEU: 10 year lease to 2024

Net Income: \$597,708 pa + GST (as at July 2020)

- + Centrally located 6 level office building in the heart of the CBD
- + Major building refurbishment completed in 2012 (circa \$2M)
- + Large 2,024 sqm site comprising two blocks
- + 2,760 sqm of lettable area over 5 floors
- + 53 secure on-site carparks with remote access
- + Excellent 5.5-star NABERS Energy rating

Contact
 Jamie Dewe 0410 350 273
 Kieran Bourke 0417 418 007

Auction
 11am AEDT
 Tuesday 31 March
 Doltone House Hyde Park,
 Sydney, NSW



Rare Owner Occupier or Investment Clear Instructions – Must be Sold

Broadbeach (Gold Coast) QLD
Shop 8 & 9, 2623 Gold Coast Hwy

Versatile 124 sqm retail on
2 titles with 10m frontage to
high traffic 6 lane arterial road

Prime exposure opposite
Pacific Fair Shopping Centre &
Light Rail Broadbeach Station

- + Suit multiple uses adjoining the famous Bel-Air Resort complex
- + Neighbours Convenience store and Liquor store
- + Gold Coast: Australia's largest tourist mecca
- + Partnership being dissolved – VERY realistic sellers
- + Rental Guarantee offer for 1 year: Net Income: \$55,000 pa + GST



Contact

Glenn Conridge 0413 873 337
Rhys Parker 0451 101 042



Auction

11am AEDT
Tuesday 31 March
Doltone House Hyde Park,
Sydney, NSW



10 Year Triple Net Lease to Global Automotive Giant Subsidiary



Launceston TAS
3/6 Innes Street (cnr Boland St)

Secure 10+5+5 year lease to
31 July 2033

Tenant pays all outgoings incl
Land Tax & Building Insurance

Net Income: \$196,779 pa
(from 1 August 2020)

- + Fixed 3% increases
- + Genuine Parts Co (NYSE:GPC):
\$30b+ global conglomerate,
\$20b+ annual sales, 3,100+
operations worldwide
- + As new 801 sqm building plus
on-site parking
- + Super location opposite Launceston
Plaza (Coles, Kmart) & Chemist
Warehouse, next to Mitre 10
and close to \$250m+ UTAS
development



Contact

Raoul Holderhead 0413 860 304
Graeme Watson 0419 717 171



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC



100% Leased to Fed/State Govts Significant Depreciation Benefits



Hamilton VIC
258-264 Gray Street

Impressive 1,370 sqm building
constructed 2012/13

Irreplaceable 2,987 sqm site
with 41 car parks on-title

**Net Income: \$591,961 pa + GST
(as at April 2020)**

- + Fed Gov (Centrelink) - 10 year lease plus options to 2029 - 4% annual increases
- + VIC Gov (DHHS) - 10 year lease plus options to 2033 - 3% annual increases
- + 4.5 star NABERS rating
- + Nearby Coles, Woolworths, ALDI, McDonald's & KFC
- + Hamilton: Important commercial service centre servicing 30,000+ trade catchment



Contact

Beau Coulter 0413 839 898
Raoul Holderhead 0413 860 304



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC



Prominent Childcare Investment New 15 + 10 + 10 Year Lease to 2054



Truganina (Melbourne) VIC
451 Leakes Rd (cnr Forsyth Rd)

Fixed 3% annual rent increases

As new 805 sqm purpose-built facility, licenced for 134 places

Net Income: \$398,775 pa + GST

- + Woodlands EL: highly regarded operator with 20+ years industry experience and two further Melbourne metro locations
- + Strategic position within retail / commercial precinct & only 500m from both St Clare’s Primary School & Doherty’s Creek P-9 College
- + Wyndham City: one of Australia’s largest growth areas – forecast population increase of 82% to 512,591 residents by 2041



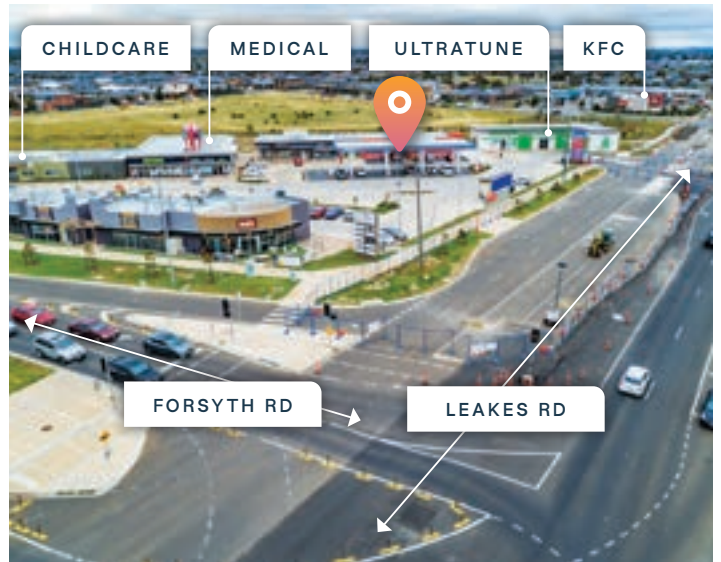
Contact

Adam Thomas 0418 998 971
Natalie Couper 0413 856 983



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC



Dominant Metro Fuel Investment Booming Western Growth Corridor



Truganina VIC
1/451 Leakes Road (cnr Forsyth Rd)

Secure 15 year lease to Oct 2033 plus 4 x 5 year options

Net lease: tenant pays all usual outgoings

Net Income: \$362,949 pa + GST (Est March 2020)

- + United Petroleum: One of Australia's largest independent fuel retailers with over 450 sites nationally
- + Secure new fuel and convenience facility completed 2018
- + 22,000* vehicles passing daily
- + City of Wyndham: current population of 270,478 forecast to grow to 489,370



Contact

Al Bogdani 0413 830 707
Shaun Venables 0411 860 865
Scott Meighan 0413 830 709
Zomart He 何梓轩 0488 220 830



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC

*Approx



‘The Bluestone’ Warehouse Est 1869 – High Yield Classic Refurbished Three Level Late Night Venue

Ballarat VIC
101-103 Mair St (cnr Camp St)

5 year lease plus options through to 2044 to experienced hospitality group

Central 728 sqm CBD ‘island site’

Income: \$320,000 pa approx (July 2020, assume 2% CPI)

- + Annual rent reviews
- + Refurbished and extended 1,070 sqm building with capital intensive fit-out
- + 7 on-site car spaces
- + Positioned next to Federation University Camp Street campus
- + Ballarat: capital of Western Vic & one of Australia’s fastest growing regional cities – projected 19% population growth by 2026



Contact
Raoul Holderhead 0413 860 304
Scott Meighan 0431 830 709



Auction
11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC



Brand New 10 Year Lease to 2029 Leased to ASX Listed PSC Insurance



Shepparton VIC
20-24 Welsford Street

Brand new 10 year lease to 2029
plus option to 2034

Fixed 3% annual rent increases
assuring growth

Net Income: \$255,500 pa + GST

- + PSC Insurance: ASX listed, with 14 locations across Australia
- + Tenant pays all usual outgoings
- + Immaculate 901 sqm office building offering significant depreciation benefits
- + Significant 1,589 sqm inner CBD site with 15 car parks on-title
- + Shepparton: Major regional city with catchment of 100,000+



Contact

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Shaun Venables 0411 860 865



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC



Secure 15 Year Lease to Shell/Viva in Booming Dandenong South



Dandenong South VIC, 262
Hammond Rd (cnr Kilkenny Crt)

13 year lease remaining to Shell
Blue-Chip \$3.5 billion ASX-listed
tenant with 1,292 fuel sites

Land values up 225% since 2019#
Net Income: \$244,745 pa + GST

- + As new 2,222 sqm truck diesel filling station, built 2017, in the heart of one of Australia's most important industrial precincts
- + Cadbury, Visy, BOC Gas, Veolia, Nissan, Australian Pharmaceutical Industries, Star Track, Hitachi, Dulux and NAB and all within 1km
- + Strategic location with easy access to Eastlink, Dandenong Bypass and Peninsula Link



Contact

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Billy Holderhead 0422 817 696
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Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC

#Cameron



Strong Trading Liquorland Rare CPI + Turnover Provisions



Karingal (Frankston) VIC
12/110 Ashleigh Avenue

Secure 5 year lease to November
2023 plus options to 2038

Annual CPI rent reviews plus
generous turnover rent provisions

Net Income: \$99,500 pa + GST

- + Liquorland: subsidiary of Coles Group Ltd \$22.3b market cap with 897 liquor stores nationally
- + Irreplaceable 252 sqm premises integrated into Coles Supermarket
- + Tenant pays all usual outgoings as per lease agreement
- + Direct access to 120 car parks
- + Frankston: Population of 144,664 - 40km south of Melbourne CBD



Contact

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Beau Coulter 0413 839 898
Zomart He 何梓轩 0488 220 830



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC



A True Williamstown Icon The Stags Head Hotel



Williamstown VIC
39 Cecil Street (cnr Ann Street)

5 year lease to November 2022
plus 2 x 5 year options to 2032

Tenant pays outgoings/
annual CPI reviews

Rent: \$88,000 pa + GST

- + Classic two level period style freehold building incorporates bar, bistro, accommodation and beer garden
- + Prime 362 sqm corner landholding with combined 38 metre frontage
- + Opportunity for investors, developers &/or landbankers
- + Williamstown: West Melbourne's premier Bayside suburb with a median house price \$1.4m (REIV)



Contact

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Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC



*Outline/Boundaries Indicative Only



Tightly Held Mount Waverley Investment Business in Occupation For 45+ Years

Mount Waverley VIC
9 Centreway

Renewed 3 year lease to Sept 2022 plus option to 2025

Tenant pays all usual outgoings as per lease

Net Income: \$86,797 pa + GST

- + Weber Bowman: Accountants in operation since 1975
- + High profile 310 sqm two level office building - 2 car parks on-title accessed via ROW
- + Important 7m retail frontage with direct access to 145+ public car parks
- + Pinewood Shopping Village: 25+ retailers anchored by Coles & Waverley Cinema



Contact

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Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC



Renewed 5 Year Lease Rye Vet Clinic in Occupation 33+ Yrs



Rye VIC
2261 Point Nepean Road

5 year lease to 2024 + opts to 2034

Tenant pays all usual outgoings

Net Income: \$59,555 pa + GST

- + Rye Veterinary Clinic: Established in 1987
- + Annual CPI rent reviews
- + Immaculate 123 sqm veterinary clinic with car park on-title
- + Rye: high-end bayside holiday destination



Contact

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Beau Coulter 0413 839 898



Auction

11am AEDT
Wednesday 1 April
Crown Casino, Melbourne, VIC



Rare & Affordable Dental Investment Rye Dental Care: Operating 40+ Yrs



Rye VIC
2265 Point Nepean Road

5 year lease to 2022 + opts to 2032

Tenant pays all usual outgoings

Net Income: \$59,964 pa + GST

- + Bupa: International healthcare group servicing 32 million customers in 190 countries
- + Annual CPI rent reviews
- + Impressive dental clinic with capital intensive tenant fit-out
- + Mornington Peninsula: booming holiday market with domestic spend up 31% to \$707 million



Contact

Jamie Perlinger 0413 860 315
Beau Coulter 0413 839 898



Auction

11am AEDT
Wednesday 1 April
Crown Casino, Melbourne, VIC



Strategic Childcare Investment 15 + 10 Year Net Lease to 2044



Hilbert (Perth) WA
89 Narran Street (cnr Narran St)

Strategic 1,913 sqm corner site
opposite future primary school

Desirable 3% annual rent
increases

Net Income: \$217,500 pa + GST

- + 'One of a kind' caterpillar design childcare facility licensed for 87 LDC places
- + New construction with substantial taxation savings benefits
- + City of Armadale: one of Western Australia's fastest growth areas – forecast population increase of 60% to 151,896 residents by 2041



Contact

Adam Thomas 0418 998 971
Natalie Couper 0413 856 983
Rob Selid 0412 198 294
Chris Carcione 0415 393 082



Auction

11am AEDT
Wednesday 1 April
Crown Casino,
Melbourne, VIC



High Exposure Location Food and Fuel Hub

238 Morrison Road and 1/79
Farrall Road, MIDVALE WA

Morrison Road Land Area
2,541sqm*

Farrall Road Land Area
2,623sqm*

- + Both Zoned "Service Commercial"
- + Owner will also develop to your requirements
- + Growth region
- + Adjoining Midland - A Strategic Metropolitan Centre *

Contact

Andrew McKerracher
0411 611 919

Asking Prices

Morrison Rd - \$1,450,000 + GST
Farrall Rd - \$920,000 + GST

Midland is the Strategic Metropolitan Centre for the north east sub-region as determined by the Department of Planning and Western Australian Planning Commission in the 'Directions 2031' publication

The changing face of food and beverage

ARTICLE BY David Mark

Remember when the food and beverage industry consisted largely of a trip to your local pub or RSL, or a bite at a fast food outlet?

Well what if we told you that takeaway food alone is now a \$22 billion annual industry in Australia, or that Australian households spend an average of \$95.05 every week on restaurant meals or takeaway.

Eating out has become an event in itself, with restaurants positioned and marketed as 'destinations' where it's not uncommon to spend hundreds of dollars in one sitting.

So when did it all change?

According to the 2019 Eating Out In Australia report, average annual spending on dining out or takeaway food has increased by 5.8% year on year since 1983 – almost double the rate of inflation.

While on face value that growth may have been a 'slow burn', the changing face of food and beverage now reflects a cultural shift towards dining 'experiences', with patrons demanding far more from their food and beverage offerings.

Burgess Rawson's Melbourne leasing director David Mark says millennials in particular are driving huge changes in the industry.

"Today, particularly with the younger generation, the retail landscape is less about 'stuff' and more about experiences. Venues need to have something that will bring people out, and this extends into the food and beverage sector," Mr Mark says.

For commercial property owners and landlords, this growth in both consumer expectations and discretionary spending is of enormous importance and serves to inspire confidence for the future.

As outlined in Burgess Rawson's Fast Food Property Report, restaurants are now prepared to invest heavily in capital-intensive fitouts – often costing hundreds of thousands of dollars – in order to ensure their property stands out from the crowd and appeals to modern diners.

“The need to have a point of difference from competitors is more prevalent than ever before. That could be in the architectural design or property fitout, or in the food and beverage offering itself.”

Burgess Rawson's Perth sales and leasing consultant Ben Griffiths says.

“What does that look like? Some shopping centres are now creating open areas with entertainment, flexible outdoor spaces and big screens playing sporting matches, underpinned by dining venues,” Mr Mark adds.

The heavy investment in fitouts from food and beverage operators means they're often prepared to seek long leases to maximise their returns and the business' value, which in turn anchors them to the property and provides security for property owners.

But Mark says there needs to be consideration as to the mix of food outlets within the same precincts.

“It needs to be attractive to entice customers into centres. Or if it's strip retail, there needs to be a cluster or gathering of like-minded food retailers so it becomes a precinct that's attractive for people to come to for variety and choice,” he says.

In addition, competition among tenants for the best locations is also expected to drive further rent increases over the next five years, boosting yields and returns for investors.

Focus on

Tasmania

The incredible growth of Australia's commercial property market in recent years is no secret.

But what might surprise you is which markets are at the top of the class when it comes to recent performance.

While Melbourne and Sydney remain Australia's largest markets and major targets for buyers, it's our southernmost state that is punching well above its weight and delivering some of the most enticing returns for investors.

Why Tasmania? Here's a snapshot of what's making Australia's apple isle such a brilliant commercial property proposition.

Population

When it comes to demand for both commercial and residential property investment and development, population growth continues to be a significant driver.

On that score, Tasmania is showing remarkable strength and some of the most promising results nationally.

CommSec's January State of the States report shows Tasmania has the strongest relative population growth of any state in the country, with its 1.13% annual population growth rate almost double their decade average.

The Tasmanian Government projections show the state's current population growing from around 535,000 to almost 570,000 by 2042. Much of that increase will be generated in the Greater Hobart area, which the Tasmanian Department of Treasury and Finance expects to boom

by almost 20% between 2017 and 2042. This will be driven through migration from overseas and younger age-profiles.

Services and existing industries will benefit heavily from this growth, fueling ongoing demand in the sales, leasing and development sectors of the commercial property market, and construction, where gross state product increased by 8.8% in the 2018-19 year.

A Hive of Investment Activity

Investors have been quick to recognise Tasmania's potential and are increasingly seeking to capitalise on the state's comparative affordability and outstanding investment climate.

Tasmanian properties were among the most sought-after by investors at our Portfolio Auctions in the 18 months to December 2019, with 10 properties changing hands, including a Bunnings Warehouse at Glenorchy, which sold for \$14.06 million on a yield of just 3.13% - a record for any Bunnings property ever sold in Australia.

In June a string of four car dealerships leased to automotive industry giant AP Eagers were snapped up - two of them by former Queensland premier Campbell Newman. In August a Centrelink call centre at Kings Meadows traded for

\$4.5 million, almost tripling in value in 10 years, while a Nandos fast food restaurant was one of five Tasmanian properties to sell at the April Portfolio Auction.

This level of interest and competition is reserved only for the strongest, most dynamic markets, and it's clear that Tasmania is meeting that criteria for educated investors.

Development Projects

Few things speak to the potency of a commercial property market than the pipeline of development that exists within it.

Billions of dollars are currently at play in the state's booming development industry, with both local and international developers seeking to capitalise on the strength in demand and the local economy.

Headlining the projects is the University of Tasmania's new \$600 million campus in Hobart, which is currently being promoted as a business case, while the state's iconic art and tourism attraction MONA is in line for an accompanying \$400 million hotel and casino.

Tellingly, international developers are increasingly active, with Singapore's Fragrance Group leading the charge through the purchase of four major sites for hotel and residential developments,

including the \$80 million Clarion Hotel, which is in the development application phase, and a \$30 million hotel on Macquarie Street in Hobart, which has already been designed.

Industry and Economy

Much has been made of Tasmania's soaring real estate market, and the state's economy is one of the key drivers.

Tasmania's nominal economic growth was up by 5.5% over the year to September, second only to Western Australia, while its gross product per capita surged 2.3% in the last financial year – almost double the growth of the ACT, which recorded the next best result.

While Australia's national level of private sector investment fell 2.7% in 2018/19, Tasmania experienced a 3.4% increase, proving unequivocally that investors and big business have exceptional confidence in transacting there.

In fact, every single industry in the state recorded positive growth, with healthcare services leaping 7.4% and even retail, which is facing challenges in other markets, climbing 1.2%.

How Tasmania Compares to Australia

Private sector investment

Tourism contribution to GDP

Home price growth

Economic growth

Residential vacancy rate



Tasmania

3.4%
Increase

4.9%

4.9%

3.6%
Increase

0.65%

Australia

2.7%
Decrease

3.1%

2.3%

1.9%
Increase

2.5%

Major Development Projects

1. Wesley Vale

BioMar Aqua Food Facility,
\$56 million
+ 18.5 hectare site

2. Devonport

Waterfront Hotel,
\$40 million
+ Hotel (208 rooms)
+ 12 residential apartments

3. Hobart

University of Tasmania
City Centric Campus,
\$600 million

4. Berriedale

MONA Hotel and Casino,
\$400 million
+ 5 star hotel (176 rooms)
+ 1,075 seat theatre

5. Hobart

MONA DarkLab Hobart,
\$200 million

6. Hobart

University of Tasmania
Student Accommodation,
\$50 million
+ 189 single and multi-occupant apartments
+ House more than 420 students
+ 14 levels

7. Hobart

Vibe Hotel & Suites,
\$46 million
+ 4.5 star Vibe Hotel (142 rooms)
+ 4 levels of office and medical suites
+ Bridge linking it to Hobart private hospital

8. Hobart

Hyatt Centric,
\$40 million
+ 5 star Hyatt Hotel (221 rooms)
+ Restaurant, bar and function room

9. Crescent Bay

Federal Group Port Arthur
Luxury Hotel,
\$25 million
+ High-end luxury hotel
+ 20 suites

10. Launceston

Fragrance Group Clarion Hotel,
\$80 million
+ 5 star hotel (424 rooms)
+ 126 metre high hotel

11. Launceston

Verge Hotel,
\$20 million
+ Six stories-high hotel (86 rooms)
+ Restaurant, bar and conference rooms

12. Launceston

Gorge Hotel Development,
\$50 million
+ 145 room hotel
+ 500 people conference centre
+ 200 seat bar and restaurant
+ Day spa and gym

Tasmania Development Activity





For Lease

NEWTOWN OPPORTUNITIES

59 Enmore Rd, Newtown NSW

*Indicative only



Restaurant/Bar Premises*

275 sqm

Heart of bustling retail & entertainment precinct, just 150 m from Newtown Station

Well presented two level, character filled landmark building



Health/Fitness Centre*

220 sqm

Large open plan layout located at the centre of Newtown's retail precinct

Suitable for all health and fitness operators

*DA lodged for Restaurant/Bar & Health/Fitness Centre

Contact: Nik Simonovic 0415 447 275
Dillon Frain 0416 867 155

Q&A

with Martin Fisher

DIRECTOR OF ASSET MANAGEMENT SYDNEY

Due diligence when considering a commercial property purchase

Q. What should first time investors do?

A. "Commercial property is not a uniform asset class and property type variations and tenant profiles should be carefully considered before purchase.

It's prudent to inspect the property prior to purchase and to review any associated lease documentation associated with the property.

A property manager can provide advice on what concerns may arise after a property is acquired – problems are often sold with a property and may only become apparent after settlement."

Q. Is due diligence required?

A. "The standard of due diligence varies according to the type of property, its age and location. Older properties will have repair and maintenance costs which should be assessed as part of a review of potential expenditure for the first few years of ownership. Brand new buildings also have a risk profile, for example warranties and building plans are an integral part of any due diligence package.

Critically, the due diligence process should ensure that the property currently complies with any relevant property legislation. This may relate to compliance with the nature of the property if established, or planning permit/building permit conditions if the property has been recently developed."

“ Q. How can an asset manager assist prior to purchase?

A. All properties have a risk profile which should be assessed in conjunction with your asset manager.

All leases are slightly different and you also need to understand your obligation as a landlord, particularly with regard to capital items.

Your asset manager can provide advice on the way the repair clauses in a lease operate and which party is responsible for repairs, maintenance and statutory compliance throughout the term of the lease. The tenant profile can also be reviewed with your asset manager who can advise on the approach to be taken when enforcing covenants in the lease. ”





With offices across Australia,
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