

commercial NEWS UPDATE industrial



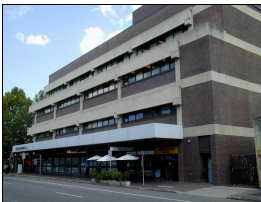
Property Consultants, Land
Economists, Real Estate Agents,
Valuers, Asset Managers & Auctioneers

Monthly Summary of Commercial & Industrial Transactions in the Sydney Metropolitan Area

February 2004

CHESTERTON INTERNATIONAL Highlights

SOLD



235 Church Street
Parramatta
\$13.1M

LEASED



3b Ellis Avenue
Alexandria
1,677 sqm

LEASED



7/476 Gardeners Road
Alexandria
1,600 sqm

Commercial Transactions

- ✓ According to a recent press release, General Property Trust (GPT) and the Australian Prime Property Fund (APPF) have both exchanged contracts for the acquisition of a 25 percent stake in **Governor Phillip** and **Governor Macquarie Towers at 1 Farrer Place, Sydney** worth a reported \$480 million. The towers are made up of 55,000 and 30,280 sqm of net lettable area respectively, or approximately 85,000 sqm when combined. The remaining 50 percent interest is owned by the Deutsche Office Trust.
- ✓ Investa Property Group has struck two large leasing deals commencing early 2004. Federal government agency, Austrade has signed up for 2,650 sqm of office space on levels 22 and 23 of the Maritime Trade Towers, **203-211 Kent Street, Sydney**. The lease term is 10 years, starting in May 2004 with the initial rent charged at \$450/sqm or \$1,192,500 per annum. Rent will be reviewed annually at a rate of 3.5 percent. Furthermore, intellectual property law firm Spruson and Ferguson have signed a lease for 3,129 sqm covering levels 23, 31-33 and part of 35 for a period of 10 years. The lease commenced January 2004.
- ✓ There is no sign of investor demand weakening in **Parramatta**. The Commonwealth Bank building at **235-237 Church Street, Parramatta** recently achieved a rate per sqm of \$2,862. The 4-storey building, completed in 1978 with a site area of 1,877 sqm and total building area of 4,577 sqm was purchased by Boti Investments for \$13.1 million. The premises are currently leased by the Commonwealth Bank of Australia and due to terminate in December 2006. The vendor was GWSZ Pty Ltd. The deal was negotiated through Chesterton International. Additionally, Tower Asset Management sold its holding at **69 Phillip Street, Parramatta**. An undisclosed buyer purchased the Former Tower Life Building, constructed in 1987, for \$8 million. The building is 6-storeys tall, consisting of close to 2,800 sqm of office space and has onsite parking for 39 vehicles. The sale reflects a price/sqm of \$2,857.
- ✓ On Sydney's Lower North Shore, George Weston Foods has leased 710 sqm of office space on level 20 of the Zenith Building, **821-841 Pacific Highway, Chatswood**. The lease is scheduled to commence mid-February 2004 for a duration of 3 years. The rent will start at a net rate of \$375/sqm with fixed annual reviews. Deutsche Office Trust was the lessor. Just a stone's throw away, Kingsmede purchased the Monitor Money Tower at **815 Pacific Highway, Chatswood** for \$23 million. The 14-storey building, comprising of approximately 7,000 sqm of office space was sold at a rate close to \$3,286/sqm. The property was refurbished in 1992 and contains parking for 104 cars. The vendor was Tower Asset Management.
- ✓ Leda Holdings recently offloaded their A-grade tower at **35 Clarence Street, Sydney**. German fund manager Deka Immobilien Investment purchased the building for just over \$113 million. The George Patterson Bates building, constructed in November 2000, was purchased on a yield of 7.1%. It comprises 21 storeys with a total net lettable area of 14,000 sqm reflecting a rate of approximately \$8,071/sqm.
- ✓ In addition to the office space already occupied on Level 3 at Charter Grove, Coca Cola Amatil expanded their lease and signed for a further 2,158 sqm on Level 2 at **29-57 Christie Street, St Leonards**. The new lease started in January 2004 at an initial net rent of \$320/sqm, equating to \$690,560 per annum.
- ✓ AMP Capital Investors announced the purchase of a 6,130 sqm building on the lower North Shore for \$24.2 million. The 3-storey building, constructed in 1989, is located at **33 Herbert Street, St Leonards**. The site was purchased on a yield of 8.4 percent and reflects a price/sqm of \$3,948. The building is 83 percent occupied, the Australian Taxation office being the major tenant.
- ✓ Visual communications consultancy firm, IDEAssociates, has signed a lease for 199 sqm of office space at **120 Clarence Street, Sydney** for a term of 3 years plus a 3-year option period. The rent will start at \$375/sqm gross equating to \$74,625 per annum. The lessor was Initier Pty Ltd.

FOR SALE

924 Pacific Highway
Gordon

FOR LEASE

Reserve Bank Building
4,000 sqm

For more information,
please contact:

City

L41/2 Park St
Sydney NSW 2000
(02) 8238 0000

North Sydney

L4/110 Walker St
North Sydney NSW 2060
(02) 9925 0000

Parramatta

L7/100 George St
Parramatta NSW 2150
(02) 9891 1200

Chesterton International is part
of the Chesterton Blumenauer
Binswanger group

160 offices worldwide

North America South America
Europe Middle East Asia
Australia


**CHESTERTON
BLUMENAUER
BINSWANGER**

Industrial Transactions

- ✓ Deutsche Industrial Trust purchased a 3,356 hectare site housing 16,500 sqm of office/warehouse at **1-55 Rothschild Avenue, Rosebery** for \$22 million or \$1,333 per sqm of building area. The property was sold on a yield of 8.5 percent by an undisclosed vendor.
- ✓ In a recent press release, Mirvac announced it had purchased a 17-hectare industrial site in Sydney's southwest. It is reported that the developer paid \$22 million for the site located at **Kurrajong Road, Prestons**. The former Liverpool show-ground could be developed into a 70,000 sqm industrial business park. NSW Department of Land was the lessor.
- ✓ Chesterton International recently negotiated two large leasing deals in **Alexandria**, namely **3b Ellis Avenue** and **7/ 476 Gardeners Road**. Firstly, a private investor signed a lease to occupy 1,677 sqm of space at Ellis Avenue at a gross rental of \$220,000 per annum. The term of the lease is 1+1+1. Qantas Flight Catering was the lessor. At Gardeners Road, NSW Transpac Services has leased 1,600sqm of industrial space from Stockland Trust. The term of the lease is 4 years plus a 2-year option period starting in December 2003 at an initial rent of \$135/sqm net.
- ✓ JF Meridian Trust (JFM) announced its purchase of a 3.94 ha vacant industrial site at **Lot 17, Sargents Road, Minchinbury** from James Fielding Group (JFG) for a reported \$16.474 million. The site has development approval for a 20,000 sqm distribution and warehouse facility. Development of stage one, the construction of a 10,500 sqm facility will commence during the first quarter of 2004. Star Track Express has signed a pre-lease to occupy this space immediately upon completion. According to the press release, the site was purchased on a yield of 8 percent.
- ✓ Two leasing transactions have transpired at the Portside Distribution Centre, **2-8 McPherson Street, Banksmeadow**. Russ Australia and Appalosa Holdings will take up 6,300 sqm and 4,300 sqm respectively for a term of 7 years with annual rent reviews fixed at 3.5 percent. The combined deals reflect an annual net rental of \$1.3 million, or \$800,000 and \$500,000 per annum per respective tenant. Macquarie Goodman was the lessor.
- ✓ A 1.35 hectare industrial site sold for \$7.95 million just to the west of Kingsford Smith Airport in the suburb of **Turrella**. The site, located at **127 Turrella Street**, currently holds a 7,350 sqm building, which is currently 50 percent leased. The vendor or purchaser was not disclosed.
- ✓ Macquarie Goodman has signed tenant Maxxium to occupy 2,620 sqm of space for a term of 10.5 years at the Binary Centre, **3 Richardson Place, North Ryde**. Rent will be charged at a net rate of \$265 /sqm equating to \$694,300 per annum. The rent will be reviewed annually at 4 percent with the exception of a market review at years 5 and 7.
- ✓ Private investment company Bowvilla Pty Ltd purchased a 10,150sqm office/warehouse for \$6 million. The property, located at **137 McCredie Street, Guilford**, has secured a new 10-year lease with tenant Rindin Enterprises and is reportedly to be refurbished at a cost of \$1.73 million. The vendor was the OPSM Group.
- ✓ Within the South Sydney industrial precinct, 790 sqm of office/warehouse space was leased by Premier Pizza Distributors at **1307 Botany Road, Mascot**. The lease incorporates a term of 4 years plus a four-year option period. The initial rent will be charged at \$121/sqm gross, reflecting an annual rate of \$95,950. Cameron Brae Pty Ltd is the lessor.
- ✓ Activity along the M5 corridor continues. Manufacturer of exhaust components Berklee Pty Ltd sold its office/warehouse facility at **44-46 Gibson Ave, Padstow** for \$1.510 million. The industrial site comprises a land area and building area of 1,851 sqm and 1,241 sqm respectively, equating to \$1,217/sqm of building area. The building is made up of 86 percent warehouse space. An undisclosed purchaser bought the property on a yield of 6.99 percent. In addition, a 970 sqm factory in **Kingsgrove** sold at auction for \$1.85 million. The site located at **171-173 Kingsgrove Road**, was purchased by owner-occupiers Marit & Marit Pty Ltd at a rate of roughly \$1,907/sqm. The vendor was not disclosed.

Copyright © 2004 Chesterton International (NSW) Pty Ltd

The information provided should be regarded as a general guide only. While utmost care has been taken in its preparation and we believe the information in this publication to be reliable as at the date of print, we do not guarantee the accuracy of the whole or any part thereof. All opinions constitute our judgement as of the date and are subject to change without notice.

Compiled by Chesterton Research

Vadim Gan – Manager, Research
Email: vgan@chesterton.net.au
Web: www.chesterton.net.au


Chesterton
INTERNATIONAL