

Investors cautious at commercial property auctions

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INVESTORS have tempered their holiday season shopping, spending just under \$28 million at the Burgess Rawson portfolio auctions in Melbourne yesterday.

It did not quite match the early frenzy at the preceding day's Sydney portfolio auctions, which saw nearly \$61.6 million worth of properties snapped up under the hammer across 16 of the first 19 offerings, before the last 10 were passed in.

Only 11 of the 27 properties offered in Melbourne sold at auction, with another property transacting prior to yesterday.

David Scholes of Auctionworks handled the proceedings at Crown Casino.

The highest price paid for a single asset was by some distance the \$8.25 million for a 1,350sqm retail site in Sunbury leased to Chemist Warehouse, a medical centre and Dorevitch. The 79-91 & 81A Evans Street property in Melbourne's north-western growth corridor recently underwent a \$2 million refurbishment and returns \$552,313 per annum fully let, a 6.7% return on the sale price.

It was followed by two properties in neighbouring south-eastern suburbs of Berwick and Mitcham, which were the first pair offered.

The 2,874sqm corner site at 44 Parkhill Drive in Berwick sold for \$3.425 million with a lease to G8 Education until 2024 and options until 2054, returning a net income of \$186,203 per annum, reflecting a 5.44% yield.

The solid start to the day was backed up by the United petrol station at 208-212 Mitcham Road in Mitcham selling for \$3.505 million. The 1,870sqm site sold on 5% yield, with a new triple net lease until 2036 plus options and returning \$175,000 per annum.

G8 Education-leased properties accounted for three of the 11 sales, each with the same lease terms. A Melton site at 2-4 Roslyn Park Drive, comprising a 638sqm facility on a 2,000sqm corner landholding, sold for \$2.65 million, returning \$130,020 per annum net.

The 2,532sqm centre site at 125-129 Boneo Road, comprising a 341sqm facility, sold for \$2 million with an income of \$105,053 per annum.

Other sales on the day included:

Shop 8 & 9, 2623 Gold Coast Highway, Broadbeach QLD for \$1.365 million – one of two sales of properties outside of Victoria, the 124sqm site sold with a lease to ASX-listed Eumundi Group operating as Quench Liquor, returning \$89,184 per annum net.

289-291 Cressy Street, Deniliquin, NSW for \$1.75 million – the day's other interstate sale was of a 487sqm Soul Pattinson chemist building in \$152,081 per annum.

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45-47 Blair Street, Leongatha for \$852,000 –536sqm two-level building with two shops and a first-floor office returns \$73,388 per annum.

52 Victoria Street, Kerang for \$500,000 – ANZ bank has a new five-year lease on the 505sqm site, which has an income of \$36,600 per annum.

Lot 2/5-13 Stratton Drive, Traralgon for \$1.85 million – 7,437sqm site with 1,456sqm of office and warehouse space returning \$144,200 per annum.

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