

# PLATINUM



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July 2017

# Commercial

Mastermind  
Event



PLATINUM

**39 POWER ROAD**

Bayswater 3153

**AUCTION**

Wednesday 12th August at 12 noon on-site

**Investment Opportunity**



**appleby**  
real estate

COMMERCIAL AND RESIDENTIAL SPECIALISTS

**8727 9555**

[www.appleby.com.au](http://www.appleby.com.au)

20 STATION ST BAYSWATER 3153

The Deal

- Agent Brochure

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**39 Power Road, Bayswater 3153**

Flexible investment opportunity  
 1 title - 5 tenancies  
 Solid returns  
 Land area 1946m<sup>2</sup>  
 Building area 950m<sup>2</sup>

**AUCTION**

Wednesday 12th August at 12 noon on-site

Nick Draffin 0407 058 223  
 Philip Leeson 0417 389 514  
 Melways ref: 64, G4



**8727 9555**  
[www.appleby.com.au](http://www.appleby.com.au)

**Advertised Details:**

SECURE, SOLID INVESTMENT OPPORTUNITY

**AUCTION:**

Solid Investment Opportunity  
 5 Separate tenants 1 title  
 Long standing tenants  
 Good rental return

Land Area: 1946m<sup>2</sup>

Building Area: 950m<sup>2</sup>  
 Current net rental of \$56,451  
 (Auction Terms:)



**Activity – Location Review**

- On your table – review the location & summarise the characteristics

Location Characteristics



**PROPERTY LISTING****SECURE,SOLID INVESTMENT OPPORTUNITY**

AUCTION 12TH OF AUGUST ONSITE MIDDAY

[Print Page](#)

- Solid Investment Opportunity
- 5 Separate tenants 1 title
- Long standing tenants
- Good rental return
- Land Area: 1946m2
- Building Area: 950m2
- Current net rental of \$56,451

**Property Details****Address:** 39 Power Road, BAYSWATER, VIC 3153**Property ID:** 8754

Component	Building Area (m <sup>2</sup> )	Land Area (m <sup>2</sup> )	Rental PA	Sale Price
Investment	950m <sup>2</sup> ((5 Seperate Tenancies))	1946m <sup>2</sup>	\$55,700.00	n/a

**[All amounts are expressed as GST exclusive.]****Contact****Nick Draffin****E-mail:** nick@appleby.com.au**Phone:** 03 8727 9554**Mobile:** 0407 058 223**Philip Leeson****E-mail:** phil@appleby.com.au**Phone:** 03 8727 9555**Mobile:** 0417 389 514**Features**

<b>Occupancy</b>	Tenanted: 5 seperate tenancies	<b>Zoning</b>	INDUSTRIAL 1	<b>Commenced</b>	VARIOUS
<b>Yield</b>	APPROXIMATELY 7%	<b>Lease Term</b>	VARIOUS	<b>Bonds / Guarantees</b>	VARIOUS
<b>Rent Review</b>	ANNUAL	<b>Car Spaces</b>	YES	<b>Availability</b>	
<b>Condition</b>		<b>Air Conditioning</b>		<b>Roller Doors</b>	YES
<b>Floors</b>		<b>Lifts</b>		<b>Sprinklers</b>	
<b>Height</b>		<b>Age</b>		<b>Car Parking Fees</b>	NIL

**Outgoings**

<b>Outgoings Payable</b>	BY TENANT	<b>Water Rates</b>
<b>Land Tax</b>		<b>Council Rates</b>
<b>Body Corporate / Insurance</b>		<b>Other Charges</b>

**Comments**

GOING CONCERN FOR GST PURPOSES

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 Email nick@appleby.com.au

<b>NET RENTALS - 39 POWER ROAD</b>													
		<b>FACTORY 1</b>	<b>FACTORY 2</b>	<b>FACTORY 3</b>	<b>FACTORY 4</b>	<b>FACTORY 5</b>							
GROSS RENT		\$12,757.56	\$12,385.85	\$15,187.92	\$12,831.96	\$16,101.71							
LESS OUTGOINGS		\$2,233.33	\$2,233.33	\$2,992.20	\$2,537.87	\$3,006.28							
<b>NET RENTAL</b>		<b><u>\$10,524.23</u></b>	<b><u>\$10,342.20</u></b>	<b><u>\$12,195.72</u></b>	<b><u>\$10,294.09</u></b>	<b><u>\$13,095.43</u></b>							<b><u>\$56,451.67</u></b>
OUTGOINGS - 39 POWER ROAD BAYSWATER													
		<b>FACTORY 1</b>	<b>FACTORY 2</b>	<b>FACTORY 3</b>	<b>FACTORY 4</b>	<b>FACTORY 5</b>							
WATER RATES		\$419.10	\$419.10	\$568.73	\$494.55	\$621.71							
COUNCIL RATES		\$1,197.00	\$1,197.00	\$1,693.00	\$1,369.00	\$1,614.00							
INSURANCE		\$317.23	\$317.23	\$430.47	\$374.32	\$470.57							
ESSENTIAL SAFETY & FIRE		\$300.00	\$300.00	\$300.00	\$300.00	\$300.00							
<b>TOTAL OUTGOINGS</b>		<b><u>\$2,233.33</u></b>	<b><u>\$2,233.33</u></b>	<b><u>\$2,992.20</u></b>	<b><u>\$2,537.87</u></b>	<b><u>\$3,006.28</u></b>							
LEASE TERM		<b>FACTORY 1</b>	<b>FACTORY 2</b>	<b>FACTORY 3</b>	<b>FACTORY 4</b>	<b>FACTORY 5</b>							
		MONTHLY	MONTHLY	MONTHLY	MONTHLY	MONTHLY							
FACTORY SIZE		158m2	160m2	214m2	186m2	234m2							
OCCUPATION COMMENCED		Dec-06	Dec-02	Mar-04	Aug-01	Nov-97							
USE		STEEL	SILVER	METAL	METAL	STORAGE							
		FABRICATION	PLATING	FABRICATION	POLISHING	MACHINERY							

## 2. Activity – Tenant Review

- On your table – review the tenancies

Tenant Review



## 3. Activity – Potential Deal Strategies

- On your table – Review photos & list potential deal strategies – cash flow & value

Potential Strategies



## Comparable Sales Data:

UNIT 17 / 200 Canterbury Road, BAYSWATER VIC 3153	
Sale Date	September 2014 <span style="color: red;">Assumed Net Rent = \$16,575 pa</span>
Sale Price	\$255,000
Area (sqm)	Building
	187
A circa 1980's warehouse with 4.5m clearance and good quality purpose built fully glazed office.	



2/6 Clare St, Bayswater VIC 3153	
Sale Date	July 2014
Sale Price	\$475,000
Area (sqm)	Building
	588
A circa 1980 semi-detached brick warehouse with roller shutter door and basic office being situated at the rear of a multi-unit development. The Clare Street continues as Corporate Boulevard located to the east of Dorset Road. The premises sold with a 3+3+3 year lease commenced May 2012 with a current rent of \$34,183 pa. equating to \$58/sq.m.	



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## Comparable Sales Data:

12/24 Longstaff Rd, Bayswater VIC 3153	
Sale Date	August 2014
Sale Price	\$1,080,000 <span style="color: red;">Assumed Net Rent = \$70,200 pa</span>
Area (sqm)	Building
	940
A circa 2000's warehouse/office located at the rear of a strata industrial development. The warehouse comprises approximately 820 sqm and the office 120 sqm. The property also features a separate warehouse supervisors office, male and female amenities and electric roller shutter door.	



UNIT 4 / 19 Scoresby Road, BAYSWATER VIC 3153	
Sale Date	July 2014
Sale Price	\$409,000
Area (sqm)	Building
	433
Rate (\$/sqm)	Building
	\$945
A circa 1970 attached brick low clearance warehouse situated at the rear of a multi-unit development. Sold with a month to month tenancy in place. The property is leased for an annual rental of \$22,464 (\$52/sqm).	



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## 4B. Activity– Calculate Area Cap Rate from Comparables

- Cap Rate is the range of yields for comparable properties in area
- Activity - Calculate yield from comparables data
- **Yield (%) = (Net Annual Income / Market Value) x 100**

Address	Net Annual Income	Sold Price	Calculation	% Yield
17/200 Canterbury Rd				
2/6 Clare St				
12/24 Longstaff Rd				
4/19 Scoresby Rd				

## 5. Comparison Method - Determine Potential Price

- Market Value = Square meter rate x rentable area

### 5a. Activity – Determine Square Meter Rate (Comparables)

Address	Square Meter	Sold Price	Calculation	Sqm Rate
17/200 Canterbury Rd				
2/6 Clare St				
12/24 Longstaff Rd				
4/19 Scoresby Rd				

- Range in Sqm Rate: \_\_\_\_\_

## Comparable Rentals:

**UNIT 1 / 10 London Drive,**  
**Date Set - Term** August 2015 -  
**Net Rental (\$/pa)** \$21,580  
**Floor Area (sqm)** 278

A clear-spanning semi-detached concrete block warehouse with basic amenities and 1st floor offices.



**UNIT 5 / 100 Canterbury Road,**  
**Date Set - Term** July 2015 -  
**Net Rental (\$/pa)** \$22,000  
**Floor Area (sqm)** 321

A circa 1960's attached brick office/warehouse with roller shutter door access and 3 phase power. The property includes a storage mezzanine and basic amenities.



**UNIT 2 / 5 Edelmaier Street,**  
**Date Set - Term** June 2015 -  
**Net Rental (\$/pa)** \$15,600  
**Floor Area (sqm)** 186

A circa 1970's low clearance attached warehouse with small office component, amenities, mezzanine and roller shutter door.



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## 6. Activity – Calculate Market Rental Rates (Comparables)

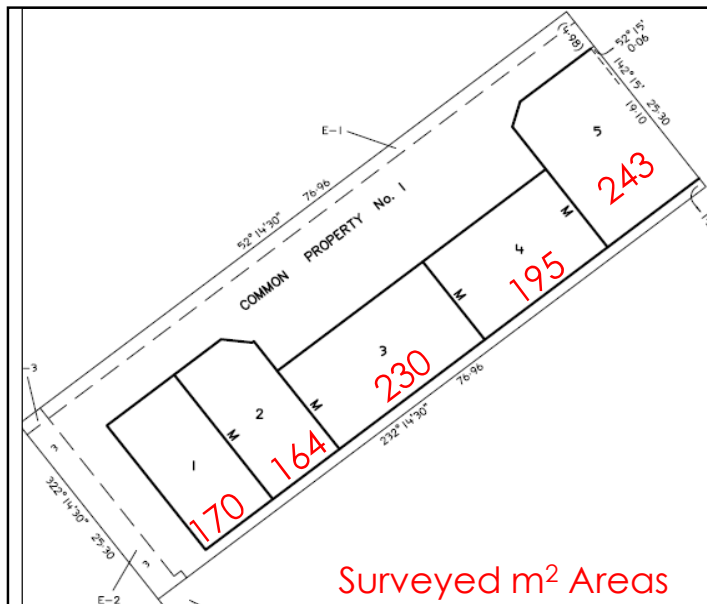
- Rental Rate = Net Annual Rent (Excl GST) / Net Lettable Floor Area

Address	Net Annual Rent	Floor Area	Calculation	Rental Rate
U1/10 London Drv				
U5/100 Canterbury Rd				
U2/5 Edelmaier St				

- Range in Market Rental Rates: \_\_\_\_\_
- Deal Rental Rate = \_\_\_\_\_
- Is Deal Under Market Rent? \_\_\_\_\_

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### 10a. New Lettable Areas From Strata Survey Plan

Unit	m <sup>2</sup>
Unit 1	
Unit 2	
Unit 3	
Unit 4	
Unit 5	
Total	



### 11. Activity – Will Revaluation & Refinance Recoup Owner Funds in the Deal?

Item		Item	
Purchase Price = Bank Val		Bank Revaluation	
Bank Loan @ 80%		New Bank Loan@80%	
Owner Funds (20%)		Existing Bank Loan	
Purchase Costs	\$55,498	Equity Release	
Strategy Costs	\$50,374	Owner Funds to Payback	
Total Owner Funds Contributed		<b>Additional Funds Released</b>	

