

High Profile Prime Retail Investment



99-105 East Street Rockhampton City

June 2010



Brisbane

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Rockhampton

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information memorandum

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1 Introduction

On behalf of the Vendors, LJ Hooker Commercial Brisbane and Knight Frank Rockhampton & Region wish to offer for sale these commercial buildings at 99-105 East Street, Rockhampton.

Located in a prime real estate position in East Street which is the main Street of the Rockhampton CBD, this property consists of mainly long established national tenants such as Barkins, Wendy's, Radio Rentals, Optical Superstore, and East Street Medical Centre. The property comprises of two adjacent commercial buildings on separate titles as a consolidated site of 1,518sqm with frontage of 30.30 metres to East Street.

The following information memorandum gives additional detail into the attributes of this fantastic opportunity in the heart of the growing city, Rockhampton. Become part of an economy that is driven by a mining boom but has the backing of grazing, education, health and tourism.

This information memorandum is to be read subject to the disclaimer on page 12 - 13.

Requests for any further information can be made to:

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2 Executive Summary

For Sale	99-105 East Street, Rockhampton City																
Position	The Property is positioned in the centre of East Street in the Rockhampton CBD.																
Title Details	<table border="1"> <thead> <tr> <th>Lot</th> <th>Land Area</th> <th>RPD</th> <th>Title Reference</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1,518m²</td> <td>RP600169</td> <td>30371168</td> </tr> <tr> <td>1</td> <td></td> <td>CP R2648</td> <td></td> </tr> <tr> <td colspan="4">Total Land Area: 1,518m²</td> </tr> </tbody> </table>	Lot	Land Area	RPD	Title Reference	1	1,518m ²	RP600169	30371168	1		CP R2648		Total Land Area: 1,518m²			
Lot	Land Area	RPD	Title Reference														
1	1,518m ²	RP600169	30371168														
1		CP R2648															
Total Land Area: 1,518m²																	
Gross floor area	1501m ² (approx).																
Brief Description	<p>“The Property” consists of a total of six (6) separate tenancies all on registered lease agreements.</p> <ul style="list-style-type: none"> ❖ The Gross income for the property is equal to \$291,766 per annum ❖ Tenancies consist of major National tenants such as Barkins, Opitcal Superstore, Wendy’s, Radio Rentals, East Street Medical Centre 																
Net Income	\$260,573 per annum (approx)																
Sales Price	\$2.89m																
Yield	Approximately 9.01% net p.a.																

3 Investment & Business Opportunity

The property offers purchasers the following benefits:

- ❖ Landmark buildings in the heart of the Rockhampton CBD,
- ❖ Opportunity to enhance the income and value through refurbishment,
- ❖ National tenancies already in place
- ❖ Total net lettable area of 1,501 sqm
- ❖ Good prospects for future rental growth,
- ❖ Retail shops with wide street frontage and first floor offices,
- ❖ Busiest CBD block on East Street
- ❖ Street front parking,
- ❖ Rear lane access for deliveries etc,
- ❖ Purchase with immediate income from rental income
- ❖ Neighbouring national tenants such as National Australia Bank.



4 Location

As a regional location, Rockhampton City is experiencing wide growth across multiple sectors. With an exciting history built on wealth of gold rushes and cattle empires, Rockhampton offers a diverse range of lifestyle options from coastal to rural to city living.

The region is situated on the Tropic of Capricorn and covers an approximate area of 18,361 square kilometres and consists of 79 individual communities. The Rockhampton Region has a population in excess of 111,500 people and is home to a range of employment, health, sporting and cultural facilities all of which assist in providing affordable housing and strong community social networks.

With tourism a main drawcard of the Capricorn Coast and the outback, the growing region has an excellent airport with direct flights to all major cities, Brisbane, Sydney, Melbourne as well as other destinations and offers first-class education facilities from kinder garden right through to university.

As the service capital of Central Queensland, the Rockhampton Region has a thriving commercial and business centre surrounded by significant mining and rural industries. Rockhampton has a strong community and its affordable lifestyle makes it the ideal place to grow your business and your family.



5 Property Overview

THE BUILDINGS

Built in the late 30's, the structure of these buildings appear to be in fairly good condition, with the façade of one of the buildings still portraying an historical aspect. The interior of particular tenancies have undergone major refurbishment on ground level, although there is still potential for rental growth and enhanced capital value through other tenancy refurbishment.

The building's foundations is concrete construction with concrete and timber floors. External walls are mainly clay brick with glazed aluminium shop fronts. External cantilevered street awnings. Profiled metal roofing. General ducted air conditioning throughout. The buildings are situated on a 1,518m² parcel of land with the total net lettable area equalling 1,501m².



GENERAL CONSTRUCTION DETAILS

Component	Construction
Foundations	Concrete
Floor	Concrete and timber
External walls	Mainly clay brick with glazed aluminium shop fronts
Internal walls	Mainly plasterboard or fibrous cement
Ceilings	Parts ceiled but others plasterboard or suspended panels in drop grid pattern
Roof	Profiled metal
Floor coverings	Carpet, tile, vinyl, bare concrete



6 Tenancy Schedule

99-105 East Street Rockhampton									
	LESSEE	SQ.M	TERM	START	FINISH	OPTI ON	INCREASE S	CURRENT RENTAL EXCLUDING GST	
								RENT	OUTGOING
3/103 East St	Thorn Australia Pty Ltd	345	3	01/06/2008	31/05/2013	NIL	CPI	\$ 82,603.20	\$ 6,287.28
1/103 East St	Optom Admin Pty Ltd	156	3	11/12/2009	10/12/2014	5+5	4%	\$ 41,620.08	
3/105 East St	Dass Investment Pty Ltd	200		01/05/2010				\$ 15,000.00	Municipal Rates & Insurance
2/105 East St	Wendy's	43	5	12/07/2009	11/07/2016	Nil	3%	\$ 17,590.92	
1/105 East St	Dr Bradley Lorroway & Dr Michael Keating	415	6	01/05/2004	24/09/2010	5	3%	\$ 60,688.92	
2/103 East St	Barkins	300	5	01/10/2007	30/09/2012	5	3%	\$ 74,263.00	
								\$291,766.12	\$ 6,287.28

Financial analysis

Gross Income:	\$291,766	per annum
Less budgeted Outgoings:	\$37,480	per annum
	\$254,286	per annum
Plus Outgoings Recoverable:	\$6,287.28	
Net Income:	\$260,573	per annum

7 National Tenant Overview



Established 28 years ago, Wendy's is one of Australia and New Zealand's most successful franchises. Today, more than 89% of Australians over the age of 13 recognise the Wendy's brand and three quarters-of-a-million people visit Wendy's stores across the country every week. Wendy's currently has more than 300 stores in Australia and New Zealand and so is a very established and successful franchise.



Wholly owned by Thorn Australia "Radio Rentals" is Australia's largest household appliance rental company, with 65 stores nationally (excluding SA) and over 400 employees. Radio Rentals has been providing electrical and household appliances to Australians since 1937.



With 14 stores throughout Queensland, New South Wales, and Victoria, Barkins is a well established leading mens and womens fashion label. Barkins is part of the UTT group which own stores/brands including Table Eight Clearance, and Essential Man, with over 70 stores established nationally..



The Optical Superstore provide quality glasses and frames and the most competitive prices. The Optical Superstore commenced business over 20 years ago and now has over 55 stores throughout Australia. The Optical Superstore is 100% Australian owned and operated. Customers only need to purchase one pair of spectacles to obtain great prices at The Optical Superstore with discounts of up to 70% off frames in stock with the purchase of lenses. There are also a great range of brand name frames discounted by 40% when purchased with lenses.

In 1992 The Optical Superstore became the first Preferred Provider to Medibank Private and continues today as a Medibank Private Members Choice Provider. Special arrangements also exist with CBHS, QRS, Navy Health and Queensland Country Health whereby members can obtain a wide range of spectacle frames, lenses and contact lenses with no or low out of pocket cost which is always popular with health fund members.

Disclaimer

The information in this Information Memorandum and any other written or verbal information given in respect of “The Properties” referred to in this Information Memorandum (the **Information**) is provided to you (the **Recipient**) on the following conditions:

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11. Recipients will be responsible for meeting their own costs of participating in the sale process for “The Properties”. The Parties shall not be liable to compensate any Recipient Parties for any costs or

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12. None of the Parties are liable to compensate or reimburse the Recipient Parties for any liabilities, costs or expenses incurred in connection with the sale of "The Properties".
13. Those persons associated with the Vendors who have responsibility for the sale have provided all Information provided to Recipients in good faith. Their knowledge may not be as extensive as that of the Vendor on who provides that Information.
14. Except as may be expressly provided in any agreement in writing between the Parties and the Recipient, the Recipient acknowledges and agrees (for itself and the other Recipient Parties) that to the maximum extent permitted by law, all terms, conditions, warranties and statements, whether express, implied, written, oral, collateral, statutory or otherwise, relating to the Information Memorandum and the sale of "The Properties" are excluded, and each of the Parties disclaim all liability for any loss and damage (whether foreseeable or not) suffered by any person acting on any of the Information whether the loss or damage arises in connection with any negligence, default or lack of care on the part of the Parties, any misrepresentation or any other cause by reason of or in connection with the provision of the Information or by the purported reliance thereon by any of the Recipient Parties.
15. No person is authorised to give information other than the Information in this Information Memorandum or in another brochure or document authorised by the Vendors. Any statement or representation by an officer, agent, supplier, customer, relative or employee of the Vendor will not be binding on the Vendor.
16. The Information is confidential. The Information must not be reproduced, transmitted or otherwise made available or communicated to any person other than the Recipient Parties without the prior written approval of the Vendor. The Recipients acknowledge and agree that upon deciding that they do not wish to proceed with the purchase of a particular Property, or at the request of the Parties, they will immediately return the Information together with any reproduction thereof.
17. The Recipient acknowledges and agrees that it will not be contracting with the Vendor only. The Vendor shall not be liable to the Recipient Parties on any basis whatsoever for any act, matter or thing arising out of or connection with the Information.
18. To the extent that any of the above paragraphs may be construed as being a contravention of any law of the State or the Commonwealth, such paragraphs should be read down, severed or both as the case may require and the remaining paragraphs shall continue to have full force and effect.
19. This disclaimer is additional to the contract and survives execution of the contract.