



Newt's News – March 2016

What's happening in the market?

At long last there are some very promising signs for the economy, in particular with the sharp increase in iron ore prices signalling greater optimism for our commodity exports. Fuel prices at the bowser remain low, especially if motorists can manage to buy at the bottom of the regular cycles. This has been keeping more money in the pockets of motorists and possibly helping the recent revival in consumer/retail spending. Building construction remains at very high levels. But, how many more apartments do we need?

The retail/commercial property investment market remains strong, due to the continuing historical low interest rates, as investors seek secure rental returns.

The following schedule of auction results for petrol station sales in the Melbourne market in 2015, are set out to assist both buyers and sellers in understanding the wide range of prices and yields achieved:

Property	Approx. Remaining Lease Term	Options	Date of Sale	Price	Yield (Approx.)
Caltex Deer Park	6 years	Yes	12/2015	\$4.8m	6.25%
Woolworths Petrol Coburg	7 years	Yes	4/2015	\$4.5m	5.6%
7-Eleven Coolaroo	8 years	Yes	11/2015	\$5.35m	5.1%
7-Eleven Alphington	3 years	No	10/2015	\$5.50m	3.1%
7-Eleven Chirside Park	4 years	No	5/2015	\$8.695m	4.1%
BP (Dealer) Vermont South	12 years	Yes	12/2015	\$5.36m	6.4%
BP (Dealer) Vermont	8 years	Yes	9/2015	\$4.7m	7.0%
BP (Dealer) Seaford	9 years	Yes	4/2015	\$5.05m	7.5%
Liberty Dandenong Nth	15 years	Yes	10/2015	\$5.96m	6.1%
Liberty Baxter	15 years	Yes	9/2015	\$2.97m	6.2%
United Notting Hill	4 years	Yes	10/2015	\$2.27m	6.3%

If you take out 7-Eleven Alphington and Chirside Park, which offered short term development opportunities and very high underlying land values and take out BP Vermont and Seaford, which had weaker tenancy covenants and shorter lease terms, you are left with a yield range from 5.1% to 6.4%.

In my view such yields show consistency in the market and the benefit of the transparent auction system.

We are putting two outstanding petrol station investments to auction, in conjunction with Burgess Rawson, on Wednesday 6 April 2016. Both offer long term hassle free investment opportunities:

- Woolworths Petrol on Wellington Road Clayton is truly one of those very special properties which ticks all the boxes for investors and should sell on an approx. 5.5% yield based on our sale price of Woolworths Petrol at Coburg which achieved a 5.6% yield. Clayton has a longer remaining initial lease term of nearly 11 years, plus options, compared to approx. 7 years for Coburg.
- Liberty/Shell at Lancefield has a brand new 15 year lease plus options, occupying a prominent corner site in the town centre and is expected to sell on an approx. 7% to 7.5% yield based on the recent Baxter and Dandenong North sales and allowing for its location outside Melbourne's suburban footprint.

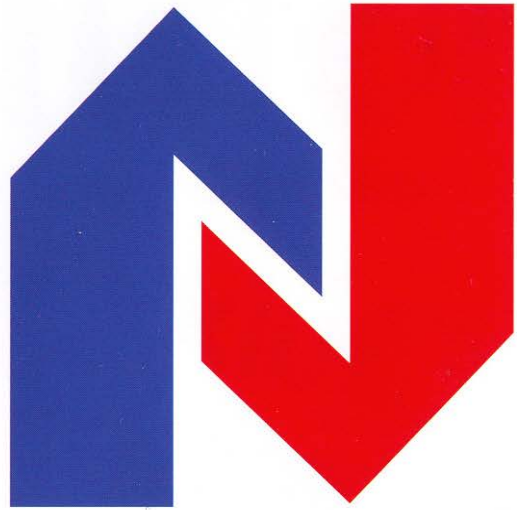
Please see attached details and remember, whether buying or selling petrol stations or related properties, Newtons should always be your first point of call... just ask anyone in the industry! Best Regards,



Ron Newton

Managing Director
 Certified Practising Valuer & Licensed Estate Agent
 FAPI CPV AREI CEA(REIV)

Ron established Newtons in 1981 and has over 40 years experience as a Valuer and Real Estate Agent.



NEWTONS

Level 3, 177 Toorak Road,
South Yarra 3141

9826 0441

AH | Ron Newton 0418 322 138

Email | ron@newtons.com.au

Website | www.newtons.com.au

AUCTION

Wednesday 6th April 2016
at 11am in The River Room, Crown Casino, Melbourne
Conjunctural Agent: Burgess Rawson

**Outstanding Blue Chip Investment
Premium Location Close to Monash University**



190 – 198 Wellington Road (corner Garden Rd) Clayton Vic

15+5+5+5+5yr Lease to Woolworths Limited

Current Rent approx. \$220,000 p.a.

Note: The information contained in this brochure has been obtained from sources we believe to be reliable and therefore have no reason to doubt its accuracy. The vendor and its agents will not be held responsible for any error or mis-description which may appear herein. Prospective purchasers are thus advised to make whatever investigation they deem necessary. All dollar amounts exclude GST unless otherwise stated.

PROPERTY INFORMATION

190 – 198 Wellington Road, Clayton Vic

Location:

- Woolworths Petrol Clayton enjoys an outstanding position, on one of Melbourne's busiest roads, between the Monash Freeway Interchange at Mulgrave and the Princes Highway at Clayton.
- More particularly, it is on the South Western corner of Wellington and Garden Roads, between Springvale and Blackburn Roads with reported traffic flow of 43,000 vehicles per day.
- Close to Monash University and the Australian Synchrotron, with surrounding hi-tech and industrial uses such as Mercedes Benz, Nestlé, BMW, William Adams Tractors, NEC Australia, Kmart, Woolworths Office and Distribution Centre.

Improvements:

- An Impressive modern style Petrol Station, with well-appointed convenience store, an attached 4-island startergate canopy and link, fibreglass tanks and extensive siteworks including left-in and left-out access to Wellington Road and a two-way crossing to Garden Road.

Lease Details:

- Tenant: Woolworths Limited
- 15+5+5+5+5 years commenced 9 December 2011
- Annual CPI rent reviews (max. 3%)
- Current Rent \$231,803.68 pa plus GST.
- Net Rent approx. \$220,000 pa.

Land Particulars:

Volume 10215 Folio 362, being Lot 1 on Plan of Subdivision 303351

Land Area:

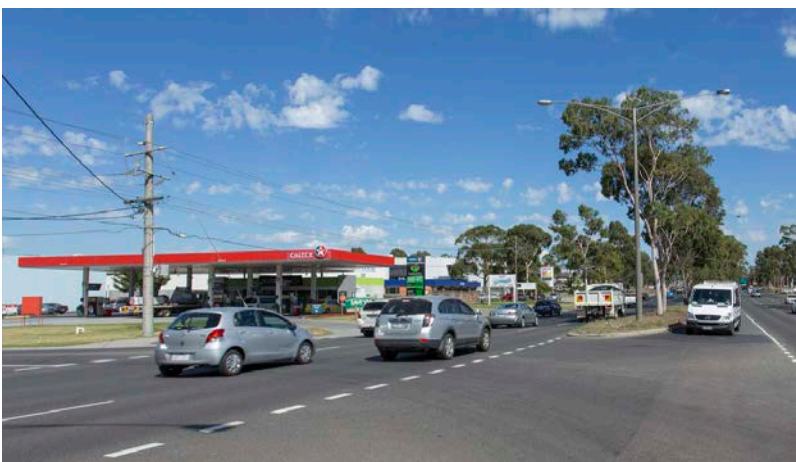
Approx. 2,450 sqm.

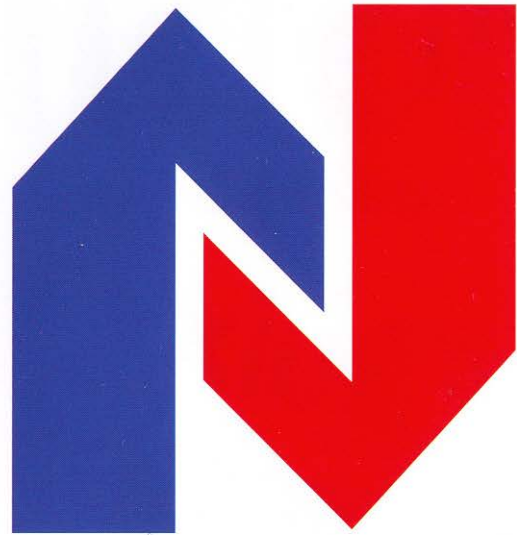
Zoning:

Special Use – Monash Planning Scheme

Contact:

Ron Newton | (03) 9826 0441 | 0418 322 138 | ron@newtons.com.au
Jamie Perlinger | 0413 860 315 | jperlinger@burgesssrawson.com.au





NEWTONS

Level 3, 177 Toorak Road,
South Yarra 3141

9826 0441

Mobile | Ron Newton 0418 322 138

Email | ron@newtons.com.au

Website | www.newtons.com.au

AUCTION

Wednesday 6th April 2016

at 11am The River Room, Crown Casino, Melbourne
Conjunctural Agent: Burgess Rawson

Brand New 15 Year Lease to 2031 Busy Petrol Station Complex

74 Lancefield-Tooborac Rd (corner Kilmore-Lancefield Rd),
Lancefield, Vic



**Impressive Property Excellent Return
Current Rent approx. \$280,000 pa.**

Note: The information contained in this brochure has been obtained from sources we believe to be reliable and therefore have no reason to doubt its accuracy. The vendor and its agents will not be held responsible for any error or mis-description which may appear herein. Prospective purchasers are thus advised to make whatever investigation they deem necessary. All dollar amounts exclude GST unless otherwise stated.

PROPERTY INFORMATION

74 Lancefield-Tooborac Rd, Lancefield, Vic



- Brand new 15 year lease to 2031 plus options to 2046
- Liberty: 50% owned by VIVA Energy (exclusive Shell Australia licensee) with 850+ retail outlets across Australia
- VIVA Energy: substantially owned by Vitol, a multinational energy & commodities giant with turnover of \$270 billion (2014)
- Prominent 2,170 sqm corner site with 93m of combined frontage
- Recently refurbished convenience store plus Tyre Retail & Automotive Service Bays and fiberglass tanks
- Located only 50km from metro Melbourne within the well known and popular Macedon Ranges
- Rent \$280,000 pa, plus outgoings (approx. \$279,095 pa net) with annual CPI reviews.

Contact

Ron Newton | Phone (03) 9826 0441 | Mobile 0418 322 138 | Email ron@newtons.com.au
Conjunctural Agent | **Jamie Perlinger** | 0413 860 315 | Email jperlinger@burgessrawson.com.au

