

324 St Kilda Road, Melbourne



Located at 324 St Kilda Road, less than 1.5 kilometres from the Melbourne CBD, this eight level property offers a total of 7,102 sqm of quality office space. Constructed in 1981 it has been recently refurbished.

It is anchored by secure leases to blue chip corporate Wesfarmers and its wholly-owned subsidiary Target who occupy 75 per cent of the building's net lettable area.

The location offers tenants an alternative to the CBD at lower rental rates, better parking ratios and excellent access to public transport without compromising on amenity.



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Marketing of the two vacant floors continues in what is proving to be a very competitive market. Our two leasing agents are working hard and trying different strategies to attract either two whole floor tenants, or four half floor tenants. Both vacant floors are newly refurbished and competitively priced but landlords are reluctant to let existing tenants leave. Although we see an improvement in eastern seaboard economic activity, this is yet to flow through to demand for office space. Our vendor continues to pay any shortfall in income as a result of vacancy, including car bays and outgoings, but this guarantee will end in April 2014. Whilst the market is improving it appears, despite our best efforts, unlikely the space will be leased before April which will result in lower income to unitholders until leased.



KEY DATA

PURCHASE PRICE	\$22,000,000
SETTLEMENT DATE	12-Apr-13
PRINCIPLE USE	Office
DATE BUILT	1981
SITE AREA	916 sqm
NET LETTABLE AREA	7102 sqm
CAR BAYS	73

CURRENT VALUATION

VALUE	\$22,000,000
ESTIMATED FULLY LEASED NET INCOME	\$2,154,000
VALUATION DATE	7-Jan-13
VALUE/m² (NLA)	\$3,098
VALUER	Jones Lang LaSalle

DEBT

CURRENT DEBT	\$8,700,000
GEARING (LOAN/VALUATION)	39.55%

FACILITY

	AMOUNT	MATURITY
Fixed @ 3.32% + Margin	\$8,700,000	12-Apr-16

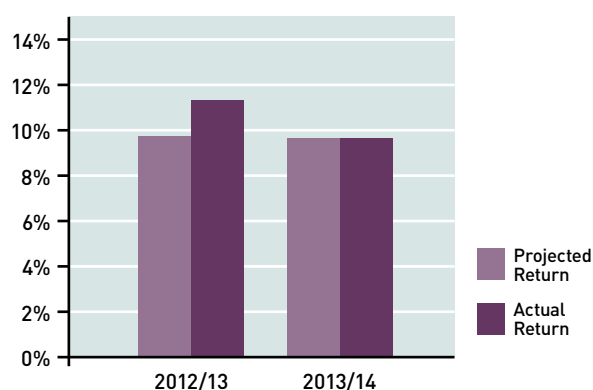
TENANT INFORMATION

MAJOR TENANTS	NLA	LEASE EXPIRY
Target	62.00%	31-Aug-17
Wesfarmers	12.90%	30-Sep-17
Vodafone	0%	31-Mar-15
Vacancy	25.10%	

INVESTOR RETURNS

CASH RETURN (ANNUALISED)	% RETURN
2013	11.31%
2014	9.63%
TAX DEFERRED PORTION OF CASH RETURN	%
2013	63.11%

% RETURNS - FORECAST TO ACTUAL



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