

2 Bagot Road, Subiaco WA



This Property commands a prominent location overlooking the busy intersection of Bagot, Thomas and Kings Park Roads approximately 1.5 km west of the Perth CBD in the City of Subiaco.

The building was constructed in 1972 and refurbished to present as light and attractive office accommodation. It comprises 2,141sqm of net lettable area over four levels, modern bathrooms, end of trip and kitchen amenities, as well as undercroft parking for 57 cars.

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Returns have steadily increased as we look to continue to retain income as a precaution with the imminent expiration of the lease.

Leasing agents are actively marketing the property as the primary tenant, Roy Hill, have advised that they do not intend to extend their lease beyond its current April 2017 expiry. Samsung continue to occupy half the property as sub-tenant from Roy Hill.

Additionally we have employed Rowe Group, town planners to assist in amending the current zoning to include Medical use. City of Subiaco Development Services Committee have reviewed our application favourably and are recommending the zoning amendment be accepted at the next council meeting. We believe that the additional use will widen our potential market for prospective tenants, particularly with various changes to Princess Margaret Hospital and being in close proximity to King Edward and Sir Charles Gardiner Hospitals.



KEY DATA

PURCHASE PRICE	\$8,500,000
SETTLEMENT DATE	16-Jun-10
PRINCIPLE USE	Office
DATE BUILT	1972
SITE AREA	1,604 sqm
NET LETTABLE AREA	2,141 sqm
CAR BAYS	57
VALUE	\$13,500,000
ESTIMATED FULLY LEASED NET INCOME	\$1,440,000
VALUATION DATE	13-Apr-15
VALUE/m² (NLA)	\$6,305
VALUER	Burgess Rawson

DEBT

CURRENT DEBT	\$5,365,000
GEARING (LOAN/VALUATION)	39.74%

FACILITY

	AMOUNT	MATURITY
Fixed @ 3.65% + Margin	\$5,000,000	19-Oct-17
Fixed @ 3.62% + Margin	\$1,000,000	19-Oct-17

TENANT INFORMATION

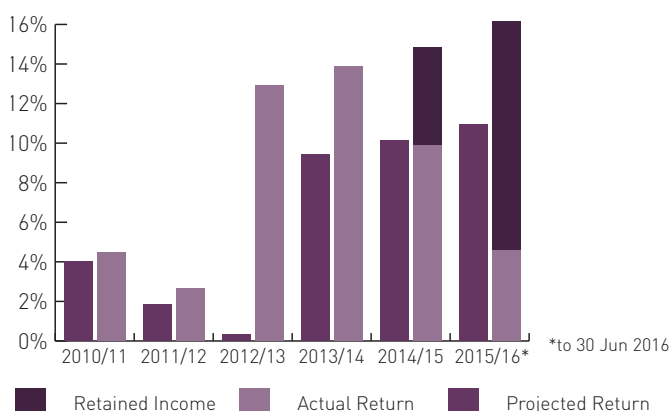
MAJOR TENANTS	NLA	LEASE EXPIRY
Roy Hill Holdings*	100.00%	15-Apr-17

*Sublet to Samsung

INVESTOR RETURNS

CASH RETURN (ANNUALISED)	% RETURN
FY 2011	4.47%
FY 2012	2.67%
FY 2013	12.90%
FY 2014	13.86%
FY 2015 (4.99% retained income)	9.86%
FY 2016* (11.58% retained income)	4.57%
TAX DEFERRED PORTION OF CASH RETURN	%
FY 2011	7.52%
FY 2012	100.00%
FY 2013	36.44%
FY 2014	15.26%
FY 2015	11.62%
FY 2016	9.46%

% RETURNS - FORECAST TO ACTUAL



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