

2 Bagot Road, Subiaco



This office building on Bagot Road, Subiaco is well located near the prominent corner of Kings Park Road and Thomas Street, adjacent to West Perth.

It comprises more than 2,200 sqm of office space and has a very high car park to office ratio with 57 car bays.

The property has undergone a major refurbishment and then fully leased to a Western Australian iron ore miner, Roy Hill Holdings. This lease runs through to 2017, with a further five-year option.

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Despite this property delivering very strong returns, the risks of owning WA office buildings has increased significantly. As management can only foresee value deterioration over the remaining lease term, it was decided to sell the property. Sales agents have been appointed to market the property with profits and capital to be distributed to investors soon after settlement.



KEY DATA

PURCHASE PRICE	\$8,500,000
SETTLEMENT DATE	16-Jun-10
PRINCIPLE USE	Office
DATE BUILT	1972
SITE AREA	1604 sqm
NET LETTABLE AREA	2141 sqm
CAR BAYS	57
VALUE	\$15,000,000
ESTIMATED FULLY LEASED NET INCOME	\$1,508,000
VALUATION DATE	28-Jun-12
VALUE/m² (NLA)	\$7,006
VALUER	Burgess Rawson

DEBT

CURRENT DEBT	\$5,365,000
GEARING (LOAN/VALUATION)	35.77%

FACILITY

	AMOUNT	MATURITY
Fixed @ 3.65% + Margin	\$4,365,000	19-Oct-17
Fixed @ 3.62% + Margin	\$1,000,000	19-Oct-17

TENANT INFORMATION

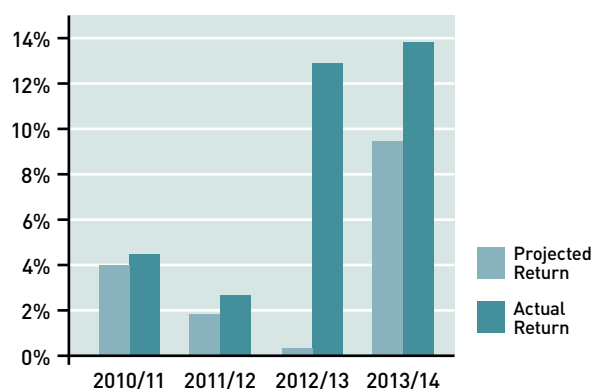
MAJOR TENANTS	NLA	LEASE EXPIRY
Roy Hill Holdings*	100.00%	15-Apr-17

*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%
TAX DEFERRED PORTION OF CASH RETURN	%
FY 2011	7.52%
FY 2012	100.00%
FY 2013	36.44%
FY 2014	15.26%

% RETURNS - FORECAST TO ACTUAL



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