

## 2 Bagot Road, Subiaco WA



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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The syndicate continues to perform well despite the downturn in mining and a continuing softening in the Perth property market. As a precaution we continue to retain a portion of the distributable income, setting it aside should it be required in the future. This will be reviewed each quarter, but likely to occur until sufficient provision has been made for a range of negative situations, such as; lower rent receipts, a valuation causing a requirement to reduce bank debt, and/or a provision to pay incentives to lease. It is important to highlight that the tenant is not late in making any payment and we have every expectation that they will continue to pay our invoices within the payment terms. When it is clear that these surplus funds are no longer required, they will be distributed.



### KEY DATA

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

### DEBT

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

### 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

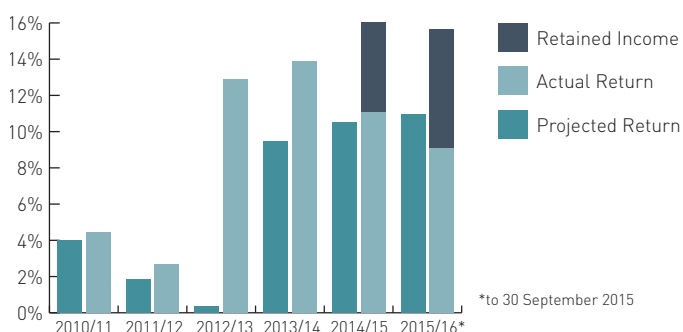
MAJOR TENANTS	NLA	LEASE EXPIRY
<b>Roy Hill Holdings*</b>	100.00%	15-Apr-17

\*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 (retained income 4.99%)	9.86%
FY 2016 (retained income 6.57%)	9.07%
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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