



PLATINUM ACCELERATOR



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July

Commercial Mastermind Event



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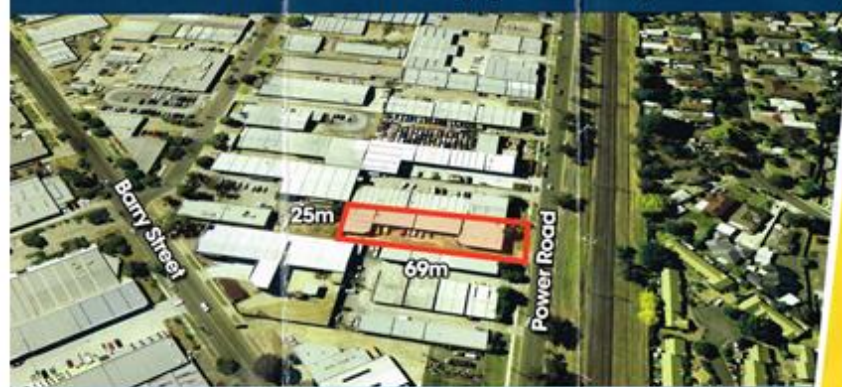
39 POWER ROAD

Bayswater 3153

AUCTION

Wednesday 12th August at 12 noon on-site

Investment Opportunity



appleby
real estate

COMMERCIAL AND RESIDENTIAL SPECIALISTS

8727 9555

www.appleby.com.au

20 STATION ST BAYSWATER 3153

The Deal

- Agent Brochure

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39 Power Road, Bayswater 3153

Flexible investment opportunity
 1 title - 5 tenancies
 Solid returns
 Land area 1946m²
 Building area 950m²

appleby
 real estate
COMMERCIAL AND RESIDENTIAL SPECIALISTS

AUCTION

Wednesday 12th August at 12 noon on-site

Nick Draffin 0407 058 223
 Philip Leeson 0417 389 514
Melways ref: 64, G4

8727 9555
 www.appleby.com.au
20 STATION ST, BAYSWATER 3153

Advertised Details:

SECURE, SOLID INVESTMENT OPPORTUNITY

AUCTION:

Solid Investment Opportunity
 5 Separate tenants 1 title
 Long standing tenants
 Good rental return

Land Area: 1946m²

Building Area: 950m²
 Current net rental of \$56,451
 (Auction Terms:)



Activity – Location Review

- On your table – review the location & summarise the characteristics

Location Characteristics



PROPERTY LISTING

SECURE,SOLID INVESTMENT OPPORTUNITY

AUCTION 12TH OF AUGUST ONSITE MIDDAY

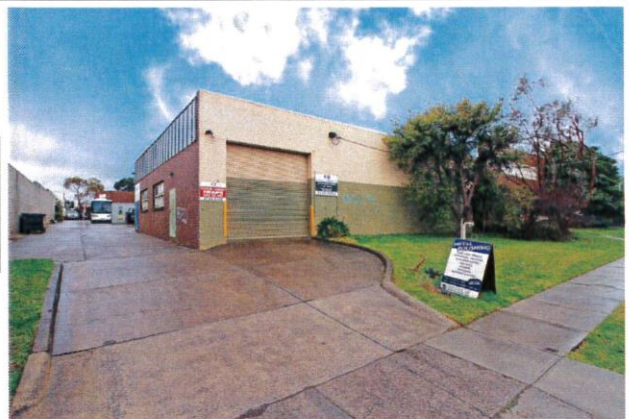


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- Solid Investment Opportunity
- 5 Separate tenants 1 title
- Long standing tenants
- Good rental return
- Land Area: 1946m2
- Building Area: 950m2
- Current net rental of \$56,451

Property Details

Address: 39 Power Road, BAYSWATER, VIC 3153
Property ID: 8754



Component	Building Area (m ²)	Land Area (m ²)	Rental PA	Sale Price
Investment	950m ² ((5 Seperate Tenancies))	1946m ²	\$55,700.00	n/a

[All amounts are expressed as GST exclusive.]

Contact

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Features

Occupancy	Tenanted: 5 seperate tenancies	Zoning	INDUSTRIAL 1	Commenced	VARIOUS
Yield	APPROXIMATELY 7%	Lease Term	VARIOUS	Bonds / Guarantees	VARIOUS
Rent Review	ANNUAL	Car Spaces	YES	Availability	
Condition		Air Conditioning		Roller Doors	YES
Floors		Lifts		Sprinklers	
Height		Age		Car Parking Fees	NIL

Outgoings

Outgoings Payable	BY TENANT	Water Rates
Land Tax		Council Rates
Body Corporate / Insurance		Other Charges

Comments

GOING CONCERN FOR GST PURPOSES

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 Email nick@appleby.com.au

NET RENTALS - 39 POWER ROAD													
	FACTORY 1	FACTORY 2	FACTORY 3	FACTORY 4	FACTORY 5								
GROSS RENT	\$12,757.56	\$12,385.85	\$15,187.92	\$12,831.96	\$16,101.71								
LESS OUTGOINGS	\$2,233.33	\$2,233.33	\$2,992.20	\$2,537.87	\$3,006.28								
NET RENTAL	<u>\$10,524.23</u>	<u>\$10,342.20</u>	<u>\$12,195.72</u>	<u>\$10,294.09</u>	<u>\$13,095.43</u>								<u>\$56,451.67</u>
OUTGOINGS - 39 POWER ROAD BAYSWATER													
	FACTORY 1	FACTORY 2	FACTORY 3	FACTORY 4	FACTORY 5								
WATER RATES	\$419.10	\$419.10	\$568.73	\$494.55	\$621.71								
COUNCIL RATES	\$1,197.00	\$1,197.00	\$1,693.00	\$1,369.00	\$1,614.00								
INSURANCE	\$317.23	\$317.23	\$430.47	\$374.32	\$470.57								
ESSENTIAL SAFETY & FIRE	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00								
TOTAL OUTGOINGS	<u>\$2,233.33</u>	<u>\$2,233.33</u>	<u>\$2,992.20</u>	<u>\$2,537.87</u>	<u>\$3,006.28</u>								
	FACTORY 1	FACTORY 2	FACTORY 3	FACTORY 4	FACTORY 5								
LEASE TERM	MONTHLY	MONTHLY	MONTHLY	MONTHLY	MONTHLY								
FACTORY SIZE	158m2	160m2	214m2	186m2	234m2								
OCCUPATION COMMENCED	Dec-06	Dec-02	Mar-04	Aug-01	Nov-97								
USE	STEEL	SILVER	METAL	METAL	STORAGE								
	FABRICATION	PLATING	FABRICATION	POLISHING	MACHINERY								

2. Activity – Tenant Review

- On your table – review the tenancies

Tenant Review



3. Activity – Potential Deal Strategies

- On your table – Review photos & list potential deal strategies – cash flow & value

Potential Strategies



Comparable Sales Data:

UNIT 17 / 200 Canterbury Road, BAYSWATER VIC 3153	
Sale Date	September 2014 Assumed Net Rent = \$16,575 pa
Sale Price	\$255,000
Area (sqm)	Building
	187
A circa 1980's warehouse with 4.5m clearance and good quality purpose built fully glazed office.	



2/6 Clare St, Bayswater VIC 3153	
Sale Date	July 2014
Sale Price	\$475,000
Area (sqm)	Building
	588
A circa 1980 semi-detached brick warehouse with roller shutter door and basic office being situated at the rear of a multi-unit development. The Clare Street continues as Corporate Boulevard located to the east of Dorset Road. The premises sold with a 3+3+3 year lease commenced May 2012 with a current rent of \$34,183 pa. equating to \$58/sq.m.	



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Comparable Sales Data:

12/24 Longstaff Rd, Bayswater VIC 3153	
Sale Date	August 2014
Sale Price	\$1,080,000 Assumed Net Rent = \$70,200 pa
Area (sqm)	Building
	940
A circa 2000's warehouse/office located at the rear of a strata industrial development. The warehouse comprises approximately 820 sqm and the office 120 sqm. The property also features a separate warehouse supervisors office, male and female amenities and electric roller shutter door.	



UNIT 4 / 19 Scoresby Road, BAYSWATER VIC 3153	
Sale Date	July 2014
Sale Price	\$409,000
Area (sqm)	Building
	433
Rate (\$/sqm)	Building
	\$945
A circa 1970 attached brick low clearance warehouse situated at the rear of a multi-unit development. Sold with a month to month tenancy in place. The property is leased for an annual rental of \$22,464 (\$52/sqm).	



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4B. Activity– Calculate Area Cap Rate from Comparables

- Cap Rate is the range of yields for comparable properties in area
- Activity - Calculate yield from comparables data
- **Yield (%) = (Net Annual Income / Market Value) x 100**

Address	Net Annual Income	Sold Price	Calculation	% Yield
17/200 Canterbury Rd				
2/6 Clare St				
12/24 Longstaff Rd				
4/19 Scoresby Rd				



5. Comparison Method - Determine Potential Price

- Market Value = Square meter rate x rentable area

5a. Activity – Determine Square Meter Rate (Comparables)

Address	Square Meter	Sold Price	Calculation	Sqm Rate
17/200 Canterbury Rd				
2/6 Clare St				
12/24 Longstaff Rd				
4/19 Scoresby Rd				

- Range in Sqm Rate: _____



Comparable Rentals:

UNIT 1 / 10 London Drive,
Date Set - Term August 2015 -
Net Rental (\$/pa) \$21,580
Floor Area (sqm) 278

A clear-spanning semi-detached concrete block warehouse with basic amenities and 1st floor offices.



UNIT 5 / 100 Canterbury Road,
Date Set - Term July 2015 -
Net Rental (\$/pa) \$22,000
Floor Area (sqm) 321

A circa 1960's attached brick office/warehouse with roller shutter door access and 3 phase power. The property includes a storage mezzanine and basic amenities.



UNIT 2 / 5 Edelmaier Street,
Date Set - Term June 2015 -
Net Rental (\$/pa) \$15,600
Floor Area (sqm) 186

A circa 1970's low clearance attached warehouse with small office component, amenities, mezzanine and roller shutter door.



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6. Activity – Calculate Market Rental Rates (Comparables)

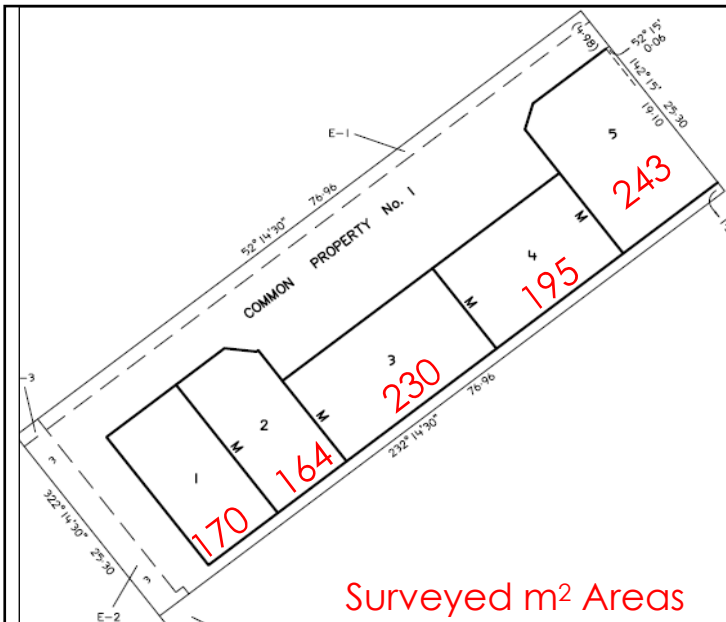
- Rental Rate = Net Annual Rent (Excl GST) / Net Lettable Floor Area

Address	Net Annual Rent	Floor Area	Calculation	Rental Rate
U1/10 London Drv				
U5/100 Canterbury Rd				
U2/5 Edelmaier St				

- Range in Market Rental Rates: _____
- Deal Rental Rate = _____
- Is Deal Under Market Rent? _____



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10a. New Lettable Areas From Strata Survey Plan

Unit	m ²
Unit 1	
Unit 2	
Unit 3	
Unit 4	
Unit 5	
Total	



11. Activity – Will Revaluation & Refinance Recoup Owner Funds in the Deal?

Item		Item	
Purchase Price = Bank Val		Bank Revaluation	
Bank Loan @ 80%		New Bank Loan@80%	
Owner Funds (20%)		Existing Bank Loan	
Purchase Costs	\$55,498	Equity Release	
Strategy Costs	\$50,374	Owner Funds to Payback	
Total Owner Funds Contributed		Additional Funds Released	

