

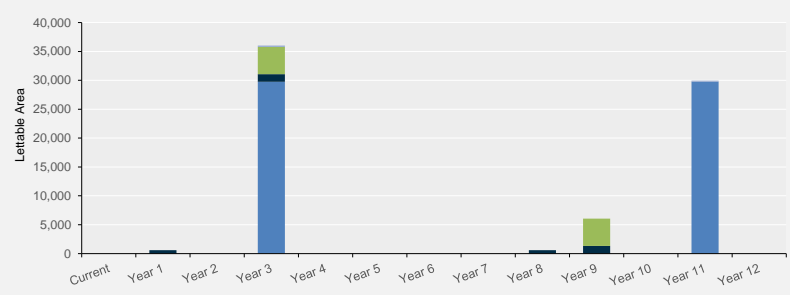
# SALES ANALYSIS



## ANZ Tower, 100 Queen Street/380 Collins Street, Melbourne



### LEASE EXPIRY PROFILE



### DESCRIPTION

The property is located on the corner of Collins, Queen and Little Collins Street in the Western core of the Melbourne CBD. The total site area is 3,849m<sup>2</sup> and the improvements include:  
 100 Queen Street - 36 level A grade office tower constructed in 1993 with 2.5 year leaseback.  
 380 Collins Street - 6 level former Stock Exchange Building constructed in 1887 with 2.5 year leaseback.  
 90 Queen Street - 8 level Safe Deposit Building constructed in 1887 with 99 year leaseback over basement area.  
 388 Collins Street - 5 level ANZ Bank Branch constructed in 1883 with 99 year leaseback.  
 The improvements provide character office space within the upper levels of the older buildings fronting Collins and Queen Street, and modern conventional office accommodation in the tower to Queen and Little Collins Street. The tower offers a side core arrangement with floorplates of approximately 930m<sup>2</sup>.

### COMMENTS

The property was sold on market following a Expressions of Interest campaign. The vendor, ANZ committed to a 2.5 year lease to allow for the construction of new offices at 839 Collins Street, which they will move into at the conclusion of the term. Our analysis assumes a 0% retention rate. Although presenting in generally good condition, the improvements will require refurbishment at the conclusion of the term, as well as some reconfiguration and base building upgrade to services such as lifts. We have included adjustments in our analysis for capex and releasing costs associated with ANZ's departure. Our core capital value before adjustments is approximately \$9,500/m<sup>2</sup>. Significant interest from all investor types attracted 15 offers, with a shortlist of three providing very close support for the purchase price. It appears that the assets scarcity, position and scale within the CBD were the main drivers for the markets interest.

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### SALE PARTICULARS

SALE PRICE	\$274,500,000
SALE DATE	Dec-16
PURCHASER	GPT
VENDOR	ANZ (Occupier)
SALE METHOD	On Market

### SALE ANALYSIS

INITIAL YIELD (PASSING)	6.46%
INITIAL YIELD (FULLY LEASED)	6.46%
EQUATED MARKET YIELD	5.05%
TERMINAL YIELD	5.25%
10 YEAR IRR	7.00%
\$PSQM NLA (UNADJUSTED)	\$7,087
WALE	2.46 years by income

### ASSUMPTIONS

NET OFFICE RENT GROWTH (10 Yr Ave.)	3.89%
NEW LEASE TERM ON VACANT SPACE	6 years
LETTING UP ALLOWANCE (Months)	6-12 Months
NET INCENTIVE (%)	20%-30%
CAPEX TOTAL (10YR PV)	\$30,135,448
CAPEX \$/m2 SPEND (PV)	\$778
CAPEX PROPORTION OF SALE PRICE	11.0%
ADJUSTMENT WINDOW	36.0 Months

### PROPERTY PARTICULARS

SITE AREA	3,849 sqm	ZONING	CC1Z
NLA	38,736 sqm		
CARS	81 bays		
CONSTRUCTED	1993		
PRECINCT (PCA)	Western Core		
GRADE (PCA)	A Grade		
NABERS	3 Star Energy		
VACANCY (%)	Nil office vacancy.		

### INCOME ANALYSIS

	NET PASSING	NET PASSING	NET MARKET	NET MARKET
OFFICE TOWER	\$14,383,190	\$484	\$15,572,494	\$524
OFFICE OTHER	\$1,671,358	\$236	\$1,629,968	\$230
CAR PARKING	\$534,600	\$6,600	\$534,600	\$6,600
OTHER	\$259,824	-	\$0	
RETAIL	\$889,043	\$523	\$941,919	\$554
RECOVERIES	\$5,500,647	\$142	\$5,150,193	\$133
OUTGOINGS	-\$5,500,647	-\$142	-\$5,500,647	-\$142
<b>TOTAL</b>	<b>\$17,738,016</b>		<b>\$18,328,527</b>	

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