

Childcare centre deal was clearly in class of its own

CHRIS HERDE

A FUND manager has snapped up a converted childcare centre in a booming inner Brisbane suburb in a deal that agents say was struck at a record tight yield.

Clarence Property paid \$8.435m for the Edge Early Learning childcare centre at 22 Marie Street, Milton.

Colliers International's Tom O'Driscoll and Hunter Higgins negotiated the sale of the 120-place centre at a yield of 5.28 per cent, which they said was the tightest yield and highest rate per place recorded in Queensland for a childcare care centre worth more than \$5m.

Mr O'Driscoll said the property was not only a high-quality build, but one of only a few multi centres in the inner Brisbane fringe.

"Rarely do you source such an investment of this quality, and an investment that provides a total cumulative net cash flow of about \$14.5m during the initial lease term," he said.

The last major comparable transaction for a similar yield and rate per place was the nine-centre Avenues portfolio in 2015 which was sold to



Tom O'Driscoll and Hunter Higgins at 22 Marie Street, Milton, in front of the Edge childcare centre which sold for \$8.435m.

Charter Hall for about \$63m in a deal also struck by Tom O'Driscoll.

According to CoreLogic the vendor Sydney-based Centennial Property Group, in partnership with Edge Early Learning, acquired the vacant office building in 2017 for

\$6.765m. They undertook a major refurbishment conversion to create a modern multi-level childcare facility.

Mr O'Driscoll said Edge Early Learning was one of the fastest growing operators in the state. "This is clearly reflected in their occupancy lev-

els, quality of centres and NQS rating across multiple centres they occupy," he said.

"The sale of this centre was a fast transaction, given these attributes and was a highly suitable investment for the purchaser Clarence to conclude their investment criteria

in 2020." Mr Higgins said current market conditions reflected the growing appetite for childcare centres.

"Strong annuity, passive investments are a continued growing trend, especially within the childcare sector," he said.

LEASES

CABOOLTURE

SWEET Az Fab & Weld has a two-year lease on a 194sq m warehouse unit at 1/18-20 Cessna Drive. In the deal by Jay Villareal they will pay \$26,400 net plus GST a year. **The Commercial Guys**

BRISBANE CITY

THE Pole Gym has a four-year lease with an option on a 355sq m space on level 2 at 63 Adelaide Street. In the transaction handled by Mitch Witherow they will pay \$115,375 a year plus GST. **Cushman & Wakefield**

CLONTARF

MAGIC Media Solutions has a two-year lease with an option on a 60sq m office unit at 1B/345 MacDonnell Road. In the deal by Jack Hawkes and Michael Schafferius they will pay \$11,500 gross a year plus GST. **Raine & Horne Commercial**

COORPAROO

SENTIENT Vision Systems has a two-year lease with an option on a 76sq m office at 54 Turbo Drive. In the deal handled by Thomas Hartman they will pay \$17,100 a year plus GST. **Chase Commercial**

BANYO

QEPOXY Pty Ltd has a three-year lease with an option on a 219sq m office/warehouse unit at 1/25 Depot Street. In the deal by Harry Butterfield they will pay \$40,500 a year. **Colliers International**

Syndicator secures a fantastic opportunity

A BRISBANE syndicator has secured a "set-and-forget" investment leased to a leading furniture retailer in a growing central Queensland regional city.

Arcana Capital paid \$7m for the Fantastic Furniture leased property at 143 Gladstone Road, Allentown, in Rockhampton.

Arcana Capital managing director Campbell Newman said the syndicator's clients were impressed by Rockhampton's diverse and growing economy and its pivotal role in

Central Queensland. "It's a great vote of confidence in the city and its future by investors from outside the region," he said. The sale realised a 7.26 per cent yield.

The 3305sqm showroom is on a 6907sqm site, which features 65 onsite car spaces.

According to CoreLogic, the property last changed hands 12 months ago for \$6.5m.

Burgess Rawson's Glenn Conridge, who struck the deal, said Fantastic Furniture's long-term lease and location sensed it was an attractive

purchase. "With its sizeable land holding and well-presented showroom secured to Fantastic Furniture on a 10-year lease to 2029, plus options to 2044, this asset really is a set-and-forget investment," he said.

"Fantastic Furniture is also directly adjoining Rockhampton's only ALDI supermarket, with shared access ensuring a steady stream of passing traffic."

"The Fantastic Furniture brand is a real success story and a major performer in the home-ware space."



The Fantastic Furniture leased building at 143 Gladstone Road, Allentown, in Rockhampton.

WHAT'S NEXT

HIGH YIELDING OPPORTUNITY - NEW 10 YEAR NET LEASE



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8 Brickworks Court, Glenella (Mackay) QLD

- Brand new 10 year net lease to 2031 + options to 2051
- Head Company Lease to Porters Mitre 10 - Dominant QLD hardware & trade retailer established 1883
- Huge 9,653 sqm land holding with low site coverage
- Modern industrial premises built in 2000 & 2006 boasting 3,592 sqm of lettable area with expansion potential
- Concrete hardstand, truck access & flexibility of uses
- Strategic position near Mackay CBD & residential areas
- Net lease - Tenant pays all outgoings incl. Land Tax
- Fixed 2% annual rent increases
- Net Income \$350,000 pa + GST

Auction

Thursday 29 April at 12 noon

Tom Moreland
0408 072 822

Aaron Dahl
0411 510 979

Michael Collins
0404 023 204

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