

# Ascot Capital buys Canberra office

Mercedes Ruehl

Western Australia's Ascot Capital group has made its maiden Canberra purchase, acquiring an office tower leased to the federal government for \$41.5 million.

Known as Australia Place, the office building at 14 Mort Street was part of a five-asset office portfolio put up for sale by Charter Hall Group last year.

Ascot director Greg King said they were fully subscribed for the investment in a record period of time, a confirmation of its positive view on the Canberra market.

"We spent a considerable amount of time researching the Canberra market and 14 Mort St ticked all the boxes for our investment criteria, with a long-term lease to the Commonwealth government, minimal capital expenditure and a higher return from what we could achieve in other capital cities," he said.

"It makes a compelling argument for our investors who are looking for solid returns along with assured growth."

The deal, which will show a yield of 7.53 per cent, was brokered by CBRE's Andrew Stewart and Michael Andrews.

"The campaign drew out a number of investors who had previously shied away from the Canberra market but

have now turned to it due to the greater returns and relatively lower cost than other major capital cities on a building rate per square metre," Mr Stewart said.

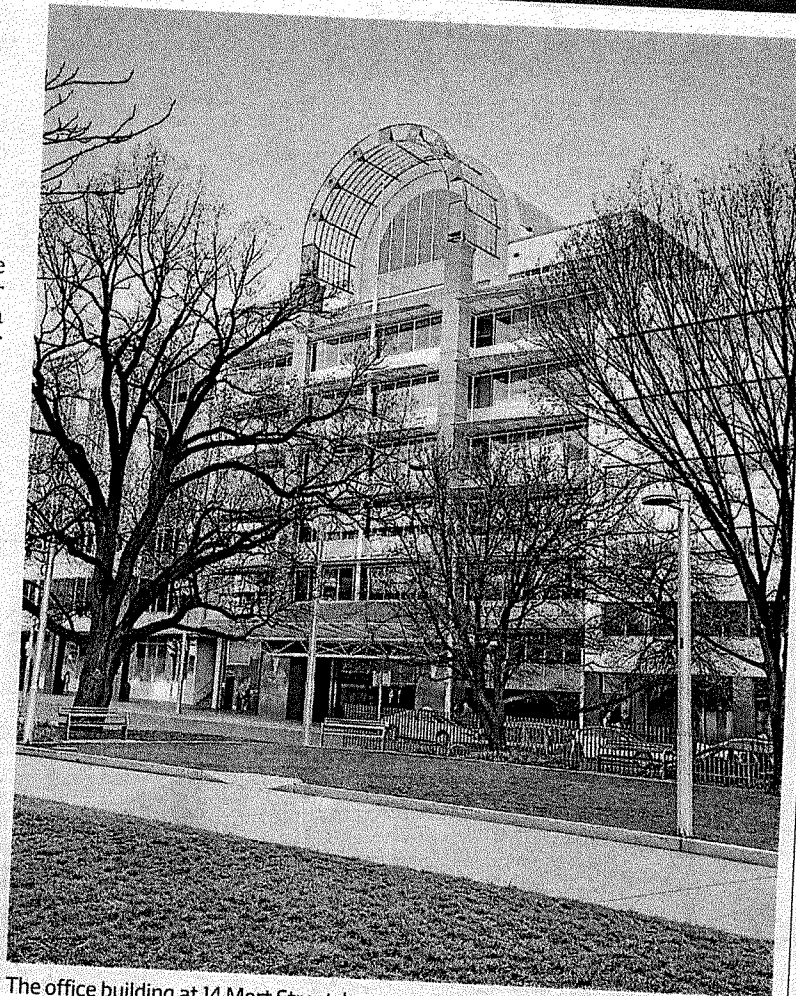
For example, 134 Reed Street, Tuggeranong, was sold for \$75 million to Julliard Group and Mr Stewart said there were a number of interested parties who missed out and are still actively looking to invest.

Last year was the biggest year for commercial sales in Canberra since the financial crisis and 2016 is expected to be another big year with properties such as 16 Furzer Street, NRMA House and 73 Northbourne Avenue to change hands.

"We are continuing to see new investors, especially offshore capital, enter or chase assets in Canberra. This is evidenced by the purchase of the Louisa Lawson building in Tuggeranong for \$224.5 million late last year by Korean investor FG Asset Management," Mr Andrews said.

Most of the Charter Hall Office Trust portfolio has now sold separately. The fifth property in Brisbane was withdrawn.

Australia Place is an A-Grade office building comprising 9384 square metres. It is fully leased with a weighted average lease expiry of more than nine years.



The office building at 14 Mort Street, known as Australia Place.

Ascot Capital is a property development business responsible for \$1.08 billion of property assets in Australia and New Zealand, made up of

single large investor properties and syndicated managed investment scheme properties. Most are located in Perth and Adelaide.

## Kiwi buys into Base

Kiwi Property will buy half of The Base shopping centre in the New Zealand city of Hamilton from the Tainui Group for \$NZ192.5 million (\$173.5 million) and has offered to buy the balance for a further \$197.5 million in cash and shares. The initial purchase, at a yield of 6.1 per cent, includes 6.7 ha of development land. Kiwi chief executive Chris Gudgeon said the purchase would provide a stake in New Zealand's largest single-site retail centre.

ROBERT HARLEY

## Estate seeks \$10m

Melbourne developer Hudson Conway is selling an estate in the regional city of Albury. The 42 ha site, Somerset Rise, is close to the airport and education facilities. It consists of 52 lots ready to go and a further 281 lots for the future. Selling agent CBRE director Mark Wizel said Somerset Rise had proved popular with buyers, at an average lot price of about \$132,500. The estate is expected to sell for more than \$10 million and the seller is offering "attractive vendor terms".

ROBERT HARLEY

## Ministry buys vineyard

Ministry of Brands has bought the 9.1 ha Duck Chase East Vineyard with ocean views and a reputation for A-grade shiraz in SA's McLaren Vale. Agent Gaetjens Langley's Toby Langley said it was the first real estate purchase for the brand, which also makes wines in the Clare Valley and Tasmania. Industry sources said the price was just over \$1 million. MICHAEL BLEBY