

SURGE IN SALES OF COMMERCIAL STRATA LOTS

2014 has seen a surge in the sales of commercial strata lots.

Tewksbury Commercial Real Estate has negotiated the sale of 20 lots in the CBD, Milton, Toowong, Taringa, St Lucia and Indooroopilly in the last 12 months. Purchasers are typically small businesses with their owners using their Self Managed Superannuation Fund to purchase the property. The business then enters into a arms length commercial lease with the fund.

The business gains certainty of tenure in a property that fits their requirements whilst the self managed superfund diversifies into commercial property and earns a reliable return in the form of rent.

The ability for self managed super funds to be able to borrow using a Bare Trust structure has also been a factor in driving sales in this sector.



Tewksbury Commercial has sold 5 strata's in this Complex alone in the last 6 months.

Prices for Commercial Strata Offices in the Western suburbs typically fall in the following price range.

Location	Price/m ²	
	Low	High
Taringa	\$3,500/m ²	\$4,500/m ²
Indooroopilly	\$3,750/m ²	\$5,000/m ²
Toowong	\$4,000/m ²	\$5,000/m ²
Milton	\$3,000/m ²	\$5,000/m ²

Variations in prices depend on the age of the building, natural light, car parking, condition of the premises, fitout and location within the building.

LISTINGS NEEDED

We are chronically short of listings. If you are contemplating selling your Commercial Property or Development Site we would welcome the opportunity to provide an obligation free appraisal.

Leasing

As you will see from the table below the Fringe Office market is currently experiencing an average vacancy rate of 12.2% compared to the CBD's vacancy rate of 14.7%. Toowong (and we believe Taringa and Indooroopilly as well) have lower vacancy rates than other fringe locations. However it is still high by historical standards, resulting in little prospect of rental growth and high incentives levels remaining for the foreseeable future.

BRISBANE OFFICE VACANCY

Grade	Stock (sq m)	Vacancy % July 14	Vacancy % July 13
Milton	234,373	14.9	10.9
Spring Hill	157,861	18.2	16.8
Toowong	81,183	10.0	9.4
Fringe	1,189,877	12.2	11.8
CBD	2,187,984	14.7	12.8

Source: PCA

Despite these challenging conditions Tewksbury Commercial Real Estate have negotiated some 35 leasing deals in the last 12 months. Here is a sample.



ACCOUNTANTS MOVE AROUND THE BLOCK

Accountants H&R Block relocated their Toowong office to the ground floor of 57-59 High Street, Toowong. They have taken 120 square metres on a five year lease.

SALE CONVERTS TO A LEASE

After purchasing 40 Leichhardt Street, Spring Hill through Tewksbury Commercial Real Estate, the new owners appointed us to lease the 292m² they are not occupying. The Engine Group, a communications agency took the space on a 3 + 3 year lease.



Leasing

ENTERPRISING RELOCATION



Enterprise Elements has consolidated their two Kenmore offices to the NAB Business Centre building in Station Road, Indooroopilly. They leased the 174m² office on a 4 year lease with a 2 year option.

CHEMIST RELOCATES & UPSIZES

Prout's Pharmacy has relocated from 2069 Moggill Road to Marshall Lane, Kenmore. The Pharmacy has expanded from 68m² to 223m² and has been rebranded as a Discount Drug Store. They have taken a 5+5+5 year lease.



JENNY CRAIG MAKES EZY MOVE TO TARINGA



As a result of the Toowong Village refurbishment, Jenny Craig relocated their store to the ex Video Ezy tenancy at 165 Moggill Road, Taringa. They leased 167m² retail tenancy on a 3+3+3 year lease term.

LAWYERS MOVE UP

Auslaw, who occupied part of the second floor of 31 Sherwood Road, Toowong, have relocated to much larger premises on the fourth floor. The 210m² tenancy has a large exclusive use balcony and building signage. Auslaw signed a 5+3+3 year lease.



We are often asked by owners and tenants for a guidelines on prevailing market rents. The following may be helpful.

Retail Rents	Gross/m ²	
	Low	High
Taringa Retail	\$350/m ²	\$500/m ²
Indooroopilly	\$400/m ²	\$600/m ²
Toowong (Sherwood Rd)	\$700/m ²	\$900/m ²
Toowong (Other)	\$450/m ²	\$600/m ²
Milton	\$400/m ²	\$800/m ²

Office Rents	Gross/m ²	
	Low	High
Taringa	\$300/m ²	\$400/m ²
Indooroopilly	\$300/m ²	\$400/m ²
Toowong	\$300/m ²	\$525/m ²
Milton A Grade	\$425/m ²	\$510/m ²
Milton B Grade	\$300/m ²	\$425/m ²

The Rental range is affected by building age, location and condition. The quality of fitout, length of lease and incentive being offered are also factors that affect the face rent.

**LOOKING FOR A NEW PROPERTY MANAGER?
LOOK NO FURTHER THAN TEWKSBURY COMMERCIAL REAL ESTATE.**

"We manage each property as if it were our own."

For any property management enquiries contact: Paula Tewksbury

Paula Tewksbury - Property Manager
0412 158 425
paula@tewksburycommercial.com.au

*For any leasing enquiries contact:
Darren Lucchese*

Darren Lucchese - Director of Leasing
0420 986 008
darren@tewksburycommercial.com.au

*For any sales enquiries contact:
Peter Tewksbury*

Peter Tewksbury - Managing Director
0412 723 448
peter@tewksburycommercial.com.au