



Marks Henderson and GM do another deal

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PERTH-based GM Property Group has bought a second property from astute investor Marks Henderson.

GM Property has acquired an industrial property at Mulgrave in south-east Melbourne for \$16.95 million on a passing yield of 7.34%.

Director Blair Gerrard said the 730-750 Springvale Rd purchase was in keeping with the group's investment philosophy of securing strategic, infill industrial property with high underlying land value.

“The high profile main Rd location, recognised Monash precinct employment base, Special Use 6 zoning allowing higher value redevelopment options, multiple tenants diversifying the tenancy risk and low site cover are all favourable characteristics.

“Furthermore, future reversionary rental upside and the existing multiple titles providing development and divestment optionality, was compelling,” Gerrard said.

The transaction was brokered off-market by Savills directors Chris Jones and Ben Hegerty who said the deal reflected an underlying land value equivalent to approximately 75% of the value of the property.

“This was an astute purchase of a quality industrial property in a strategic main road, south-eastern locality, with minimal vacancy levels, at a price which reflected an excellent land value component.

“Overall it was a fantastic investment opportunity providing substantial rental income and development and divestment flexibility or simply a rock solid long-term landbank with income,” Jones said.

The property was sold subject to a weighted annual lease expiry of five years at circa \$1.2 million p.a. net. The tenants include Shop Fitters & Building Services, Moffat, Form A Sign, and ACER.

This is the second asset GM Property acquired from Marks Henderson, which through Savills also sold the Brooklyn Distribution Centre at 600 Geelong Rd earlier in the year for \$19.65 million on an initial passing yield of 9.23 %.

The Mulgrave facility is part of the original Enterprise Park which vendor, Marks Henderson, purchased from ING Industrial Trust in 2002, the property comprises 17,100 sqm across four high quality office and warehouse facilities on 31,147 sqm of land with three St frontages, four adjoining titles and six tenancies, the latest expiring in 2022.

Marks Henderson has been involved with several big deals in Melbourne this year, including the sale of Brandon Business Park for more than \$80 million and the acquisition 52 Collins St for more than \$32 million.

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