

Kindred spirits

FAST FACTS



NORWOOD

Address: 49 Beulah Road **Type:** Office **Agent:** Savills Australia, Zandra McGee 0401 238 574

FINANCIAL , Piteo Accounting and Advisory and Marinis Financial Group, are co-locating and have signed a seven-year lease for space in a restored Norwood church.

The commitment demonstrates a growing trend of strong demand for unique tenancies in Adelaide's city-fringe precincts say Savills Australia's Zandra McGee and Adam Hartley who negotiated the Beulah Road deal \$420sq m on behalf of Mountain Meadow.

Ms McGee said the heritage features of the property were the ultimate drawcard.

"There were many disappointed parties and this competition enabled us to negotiate an above the average market rate," she said.

The 505sq m building features exposed beams, glass-encased floating stairs and modern amenity, including extensive data cabling.

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In Adelaide, offices attract

RICHARD EVANS

ADELAIDE'S office market continues to attract significant capital from interstate and off-shore investors says a new report, ushering in \$922 million in transactions above \$10 million last year.

The figure is well ahead of the 10 year average of \$430 million annually says the Knight Frank office market overview.

The growth has largely been driven by improving leasing market sentiment on the back of sustained investment



The abolition of stamp duty on commercial property and attractive yields relative to east coast markets have put Adelaide firmly on the radar for a growing number of investors said Knight Frank's national head of research, Ben Burston with A-grade space accounting

in defence industries and renewable energy projects, which is bringing new tenants to Adelaide the report claims.

"In the six months to January 2019, average prime yields tightened from 6.93 to 6.76 per cent while the secondary market saw a fall in yields from 8.49 to 8.35 per cent," he said.

"We expect 2019 will be another strong year for the Adelaide office market, with several

assets above \$100 million currently on the market, including 25 Grenfell St and 55 Currie St."

Improving economic conditions in Adelaide have buoyed positive leasing sentiment, said Knight Frank's Martin Potter.

"Adelaide leasing activity has primarily been the result of tenant relocations, as opposed to new entrants, but over the last six months this has shifted, and we have begun to see new tenants entering the market, predominantly associated with the defence sector.

"Another notable trend has

been the increase in tenants seeking large amounts of office space. The Department of Human Services is seeking 29,000sq m and the Department of Planning, Transport and Infrastructure has put out a request for up to 24,000sq m."

New supply this year such as Charter Hall's new Victoria Square office block will limit the potential for a reduction in overall vacancy in the short-term Mr Potter said but market sentiment is increasingly positive with several tenants relocating from the fringe to

the CBD, including Beach Energy and BAE Systems.

Rising tenant demand, coupled with limited supply in 2018, has led to growth in the average face rents across the prime and secondary markets he said.

"In the year to January 2019, average face rents for the prime market increased by 3.35 per cent to \$528/sq m while secondary market saw rents rise by 4.09 per cent year-on-year. Incentives decreased in the same period, leading to an uplift in gross effective rents in both markets," he said.

Space balancing



JUST off one of Adelaide's busiest roads, this 3552sq m land space is a great opportunity for the astute buyer, say agents Matt King and Sam Cabot.

"It is only metres from Main North Rd, with existing office/warehouse and a large yard space," Mr King said.

The existing 229sq m building includes a warehouse area with clearance and offices that could be used immediately by an owner occupier.

Co-agent Sam Cabot says the property has room to grow.

"There is excellent room for vehicles with existing allowance for B double access with the current layout allowing drive through access. Being in a cul-de-sac by a main arterial road allows a fantastic balance of convenience and space".

FAST FACTS

PARA HILLS WEST

Address: 16 Newfield Road
Type: Workshop/Warehouse with land
Agent: Commercial SA, Sam Cabot 0437 421 394 Matt King 0419 654 195

The industrial zoned site, previously used as a transport depot by an owner occupier, is now ready for a new chapter and should attract a variety of owner occupiers and developers to consider the opportunities available.

Offered with vacant possession, Mr Cabot and Mr King expect the property will sell in excess of \$600,000.

Auction onsite, Thursday, May 2 at 11am.

Capital markets interest hits all-time high



ADELAIDE'S emergence as a primary healthcare hub for the southern hemisphere could be reinforced following the release of a prime development site in the southwestern CBD precinct adjacent the new \$345 million Calvary hospital which is due to open this year claims a leading agency.

"This prime corner provides an outstanding opportunity for development that leverages off the site's exceptional location, superb exposure and accessibility and highly efficient configuration, with short term holding income from reserved and casual carparking," Colliers' Justin Hazell said.

"It will appeal to the broad-market and mixed-use oper-

FAST FACTS

CBD

Address: 141-151 Angas Street and 290-304 Pulteney Street
Type: Development site
Agent: Colliers International - Justin Hazell 0414 232 022 / Paul Van Reesema 0412 806 994

ators and developers seeking to capitalise on its adjacency to South Australia's largest private hospital."

The substantial land holding of 2895sq m offers multiple street frontages to Pulteney, Angas and Bewes streets, with magnificent access to natural light and views he said.

"The timing for planned de-

velopment of the site could not be better."

Co agent Paul van Reesema said the precinct is currently a focus for some of Adelaide's most prolific and concentrated public and private investment.

"With the new Calvary, SA Police HQ, Adelaide's court and legal precinct and myriad residential and mixed-use developments nearby, the site's unparalleled development potential is unquestionable" Mr Van Reesema said. "From a capital markets perspective, we have never witnessed more interest in the local market, particularly from east coast and Singaporean based investors."

Expressions of interest close on April 24.



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