

INFORMATION MEMORANDUM

NAMBOUR MILL VILLAGE

NEW 15 YEAR LEASE TO **coles**



For Sale by Public Expression of Interest closing
Thursday 17 September at 5:00pm AEST

CBRE NATIONAL RETAIL
INVESTMENTS

5,255 sqm*

coles



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3,900 sqm*

7,395 sqm*

coles

Nambour Mill Village

Golden Coles
Nambour Mill Village

coles
Open
7 days



THE OFFERING

CBRE National Retail Investments are pleased to present for your consideration, the unique opportunity to acquire Nambour Mill Village, a strong performing Coles anchored neighbourhood shopping centre located in Nambour with surrounding land available for complementary retail or commercial development.

We highlight a number of key attributes below:

- A strong performing neighbourhood shopping centre of 6,460sqm* GLA, located 100km north of the Brisbane CBD in the growing Sunshine Coast region.
- Anchored by a full line Coles Supermarket (new 15 year lease), one (1) mini major and 11 specialty retailers.
- Benefitting from 272 highly convenient and shaded at grade car spaces, plus an additional 98 basement car parks.
- Servicing a vast catchment area of 39,880 people**, projected to grow to 50,590 by 2026**
- High proportion of floor area leased to Major & Mini Major tenants (70%).
- Above average car parking ratio of 5.7/100sqm.
- Majority of income derived from national tenants (79%* of gross income).
- Long WALE of 12.4 years by income for the whole centre.
- Food, liquor and grocery spending within the retail trade area, is expected to grow from \$231 million in 2015 to \$411 million by 2026 reflecting average annual growth of 5.4% over the forecast period, or a total increase of \$180 million.**
- Lower speciality shops rent per sqm by comparison to the Urbis Shopping Centre Benchmarks 2014 for single supermarket centres.

The property is being offered by way of a Public Expression of Interest campaign **closing at 5:00pm (AEST) Thursday 17 September 2015**. To obtain further information, or to arrange an inspection, please contact the exclusive sales and marketing agents at CBRE National Retail Investments.

* approximately

**MacroPlan Dimasi

1. EXECUTIVE SUMMARY

PROPERTY

Nambour Mill Village Shopping Centre
9–13 Mill Street, Nambour QLD

DESCRIPTION

Nambour Mill Village Shopping Centre is a recently constructed neighbourhood shopping centre opened in December 2013. The centre is anchored by a full line Coles Supermarket, Discounts Galore and 11 specialty shops.

In addition to the retail component on the ground floor an office component of 1,152 sqm is located on the first floor above the shopping centre.

LOCATION

Nambour is located in the hinterland of the Sunshine Coast, approximately 14km west of Maroochydore and 90km north of Brisbane.

The Centre is prominently positioned on the corner of Mill Lane and Bury Street, Nambour.

SHOPPING CENTRE SITE AREA

17,720 sqm*

ADJOINING SITES AREA

16,550 sqm*

ZONING

Major Centre Zone under the Nambour Local Plan

CAR PARKING

Highly convenient at grade car parking for 272 vehicles plus an additional 98 basement car parks.

Car parking ratio of 5.7/100m².

* approximately

MAJOR TENANT PROFILE

COLES (NEW 15 YEAR LEASE, 4,081 SQM)

ESTIMATED NET INCOME (FULLY LEASED)

\$2,064,877 per annum*

GROSS LETTABLE AREA (GLA)

COMPONENT	GLA (SQM)
Coles Supermarket	4,081*
Discounts Galore	409*
Specialty Shops (11)	818*
ATM (1)	1*
Offices	1,151*
Total Centre GLA	6,460 *

CATCHMENT

The main trade area population is estimated at 39,880 residents at 2015, including 17,190 residents in the combined primary sectors. The main trade area population is projected to reach 50,590 residents by 2026, including 21,940 residents in the combined primary sectors, reflecting an average annual growth of 2.2% over the forecast period.

Source: MacroPlan Dimasi August 2015

TRADE AREA RETAIL SPENDING

The retail spending capacity in the Main Trade Area is expected to increase from **\$231 million in 2015 to \$411 million in 2026, reflecting an average annual growth of 5.4%.**

Source: MacroPlan Dimasi August 2015

METHOD OF SALE

For Sale by Public Expression of Interest campaign **closing at 5:00pm (AEST) Thursday, 17 September 2015.**

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2. LOCATION

Nambour Mill Village is located in the hinterland of the Sunshine Coast, a major tourist precinct attracting both domestic and international visitors. Approximately 14kms west of Maroochydore and 90km north of Brisbane.

Nambour is one of the main administrative and business hubs on the Sunshine Coast, particularly for residents of the hinterland and rural areas.

The Nambour Town Centre provides surrounding residents with a range of retail facilities including Nambour Mill Village and Nambour Plaza, plus a range of specialty stores located in the area.

The property is conveniently located in the south-western part of the Nambour Town Centre, at the intersection of Bury Street and Mill Lane. It offers residents throughout the surrounding region an attractive destination for food and grocery shopping with the only Coles supermarket.

SUNSHINE COAST REGIONAL SNAPSHOT

- 8.5 million visitors to the region;
- One of the fastest growing regions in Australia, nearly 120,000 residents are expected to move to the region over the next 15 years at a rate of 8,000 people per annum;
- Gross Regional Product of the Sunshine Coast economy totalling \$12.9 billion in FY14;
- On track to be the first regional city in Australia to offer international broadband connectivity to global markets, generating an estimated \$700 million to the region's economy per annum.

Source: MacroPlan Dimasi August 2015





“The Sunshine Coast is one of the fastest growing regions in Australia. Nearly 120,000 residents are expected to move to the region over the next 15 years, at the rate of 8,000 people per annum.”



3. SITE DETAILS

TITLE PARTICULARS

The property is held within Certificate of Title detailed as follows:

Lot 1, SURVEY PLAN 263819
County of CANNING,
Parish of MAROOCHYDORE

ADDRESS

Corner of Mill Lane and Bury Street,
Nambour QLD 4560

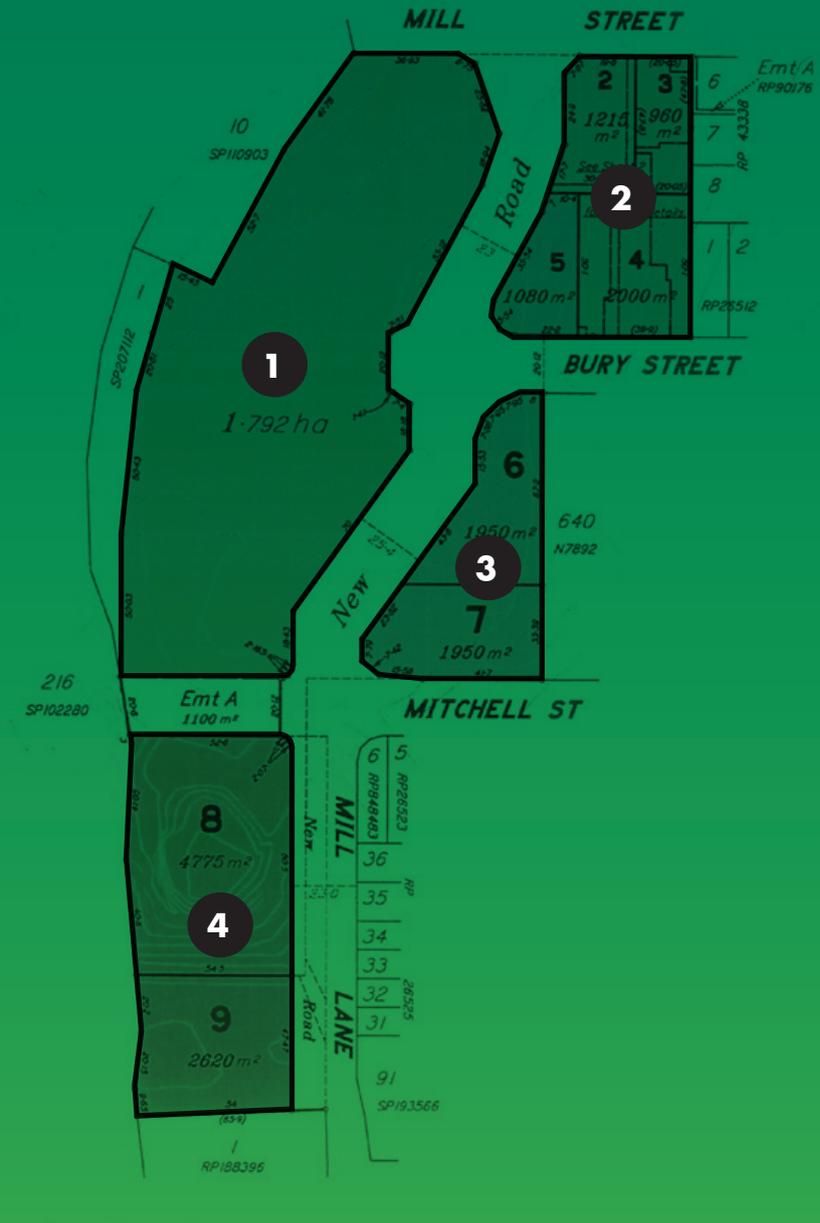
SITE AREA

- 1** 35 Mill Lane, Nambour
Lot Plan: 1 SP263819
Land Area: 17,720 sqm

ADJOINING DEVELOPMENT SITE AREA

- 2** 5 Mill Street, Nambour
Lot Plan: 3 SP263819
Land Area: 960 sqm*
- 3** 7 Mill Street, Nambour
Lot Plan: 2 SP263819
Land Area: 1,215 sqm*
- 4** 14 Bury Street, Nambour
Lot Plan: 4 SP263819
Land Area: 2,000 sqm*
- 5** 18 Bury Street, Nambour
Lot Plan: 5 SP263819
Land Area: 1,080 sqm*
- 6** 30 Mill Lane, Nambour
Lot Plan: 6 SP270461
Land Area: 1,950sqm*
- 7** 20 Mitchell Street, Nambour
Lot Plan: 7 SP270461
Land Area: 1,950 sqm*
- 8** 15 Mill Lane, Nambour
Lot Plan: 8 SP270461
Land Area: 4,775 sqm*
- 9** 9 Mill Lane, Nambour
Lot Plan: 9 SP270461
Land Area: 2,620 sqm*

* approximately



SHOPPING CENTRE FRONTAGES

FRONTAGE	LENGTH (METRES)
Mill Street	43*
Mill Lane	250*
Mitchell Street	53*

ZONING

The property is subject to the **'Major Centre Zone'** under the Nambour Local Plan.

- (a) be developed as a major regional activity centre for the Sunshine Coast, servicing a part of the sub-region and complementing the role of Maroochydore as the principal regional activity centre for the Sunshine Coast.
- (b) accommodate a range of higher order business activities, entertainment activities, multi unit residential activities and community activities in an active and vibrant mixed use environment; and
- (c) have a scale and intensity of development that is commensurate with the role and function of a major regional activity centre as specified in the Sunshine Coast activity centre network and the applicable local plan code.

Source: Sunshine Coast Council



* approximately

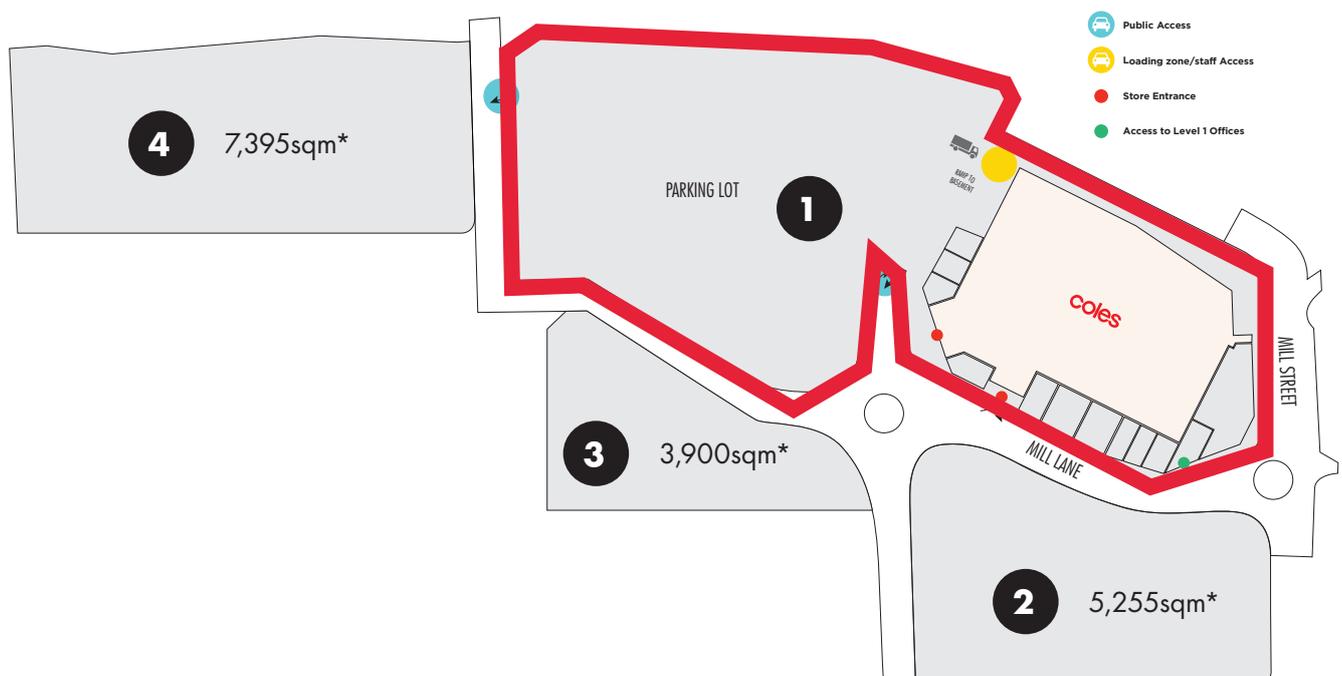


4. PROPERTY DESCRIPTION

Nambour Mill Village is a brand new convenience based neighbourhood shopping centre which opened in late 2013. The Centre is anchored by a 4,081sqm Coles Supermarket, Discounts Galore (mini major) and 11 speciality shops.

Nambour Mill Village is focused on non-discretionary food and convenience offer to service the needs of the surrounding residents. The inclusion of newsagency and pharmacy further enhances the convenience offering.

The Nambour Town Centre provides for all major retail facilities, with Nambour Mill Village directly benefitting from the integrated town centre location which enables the local population to undertake their daily and weekly shopping needs.



“Nambour Mill Village has the added flexibility for future development and expansion, given Sites 1, 2, 3 and 4 are all included in the sale.”

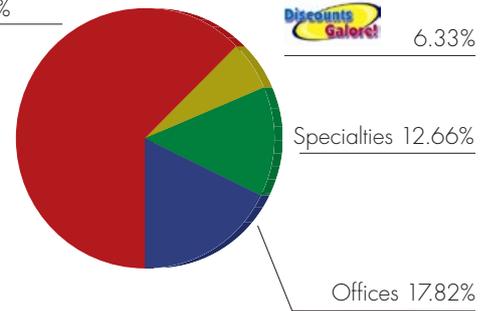
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GROSS LETTABLE AREA

COMPONENT	GLA (SQM)	GLA (%)
Coles Supermarket	4,081.0	63%
Discounts Galore	409.0	6%
Speciality Shops (11)	818.0	13%
Office	1,151.5	18%
Total Centre GLA	6,459.5	100%

coles

63.17%



“The car park ratio of 5.7/100m² provides the ultimate convenience”

CBRE Retail Investments

CAR PARKING

Highly convenient at grade car parking for 272 vehicles plus an additional 98 basement car parks. The majority of the at grade car parks are shaded

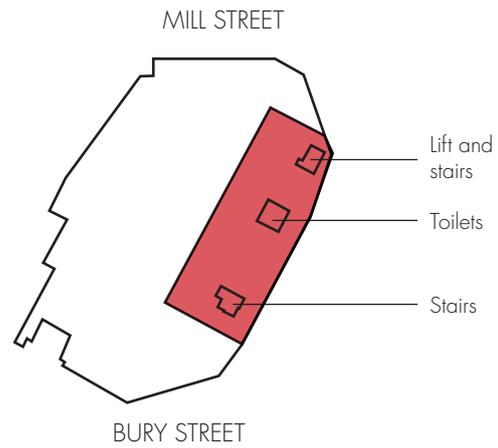
Car parking is fully sealed, line marked with intermittent landscaping and trolley collection bays. Overhead lighting is provided throughout the car park and is well lit after hours.



* approximately

OFFICE COMPONENT

An office component of 1,152 sqm is located on the first floor above the shopping centre. The brand new office space provides an abundance of natural light, along with efficient and secure access via a lift. The space is highly flexible and can suit varying requirements. The office space is highly strategic in the development, and can cater for the growing commercial requirements within the Sunshine Coast Region. A dedicated car park for the office component is provided in the basement, being secure and away from the external elements.



ADDITIONAL LAND COMPONENT

Included in the sale of the asset is the surrounding development land which is available for future expansion and development. The sites are zoned Major Centre zone which will allow for retail or commercial use.

These additional sites will be highly strategic in complementing the existing shopping centre.

Site 2 which comprises of four different land parcel includes 3 heritage houses symbolic of the sites previous uses.

Any further development activity upon the surrounding development sites would be subject to the Sunshine Coast Planning Scheme 2014, Part 8.2.9 Heritage and character areas overlay code.

The purpose of the Heritage and character areas overlay code is to ensure that:-

- (a) development on or adjoining an identified heritage place is compatible with the heritage significance of the place; and
- (b) the streetscape character and significance of identified character areas is conserved and enhanced.

COMPONENT	GLA (SQM)*
Site 2	5,255
Site 3	3,900
Site 4	7,395



5. FINANCIAL SUMMARY

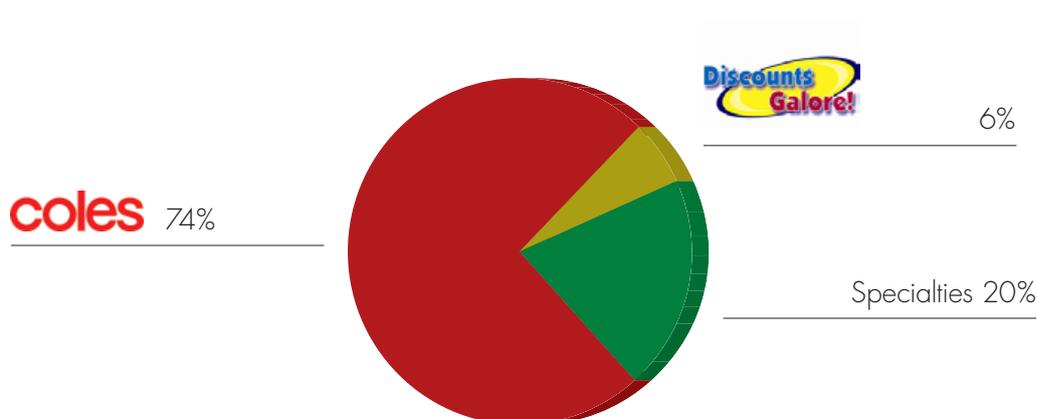
MAJOR TENANT SUMMARY

Coles Supermarket	
Lessee	Coles Supermarket
Tenancy Type	Supermarket
Lease Term	15 Years
Lease start date	1st August 2015
Lease end date	31st July 2030
Options	Four further terms of 10 Years each
Current Base Rent	\$1,395,474 plus GST per annum (Base Rent)

“Nambour Mill Village was recently constructed and provides the latest concept full line Coles supermarket and supporting specialities, which represents the retailers confidence and ongoing commitment to this strategic and growing location.”



NAMBOUR MILL VILLAGE GROSS INCOME





Wesfarmers is one of Australia’s largest listed companies and employers. Its diverse business operations cover supermarkets, department stores, home improvement, office supplies, coal mining, insurance, chemicals, energy and industrial, fertilisers and safety products.

Retail operation brands within Wesfarmers include Coles, Target, Bunnings, Officeworks, Coles Express, Liquorland, Vintage Cellars, 1st Choice Liquor, Coles Online, Harris Technology, Target Country, Kmart and Kmart Tyre & Auto Service.

Coles headline food and liquor sales for the third quarter were \$7.1 billion, up 5.4 per cent on the previous corresponding period. Food and liquor sales for the financial year to date increased 5.4 per cent to \$22.9 billion.

Source: Wesfarmers FY15 Third Quarter Results



Coles is a leading food, liquor and convenience retailer, with a presence in every Australian state and territory. The business operates more than 2,300 retail outlets across Coles and BiLo supermarkets, First Choice Liquor, Liquorland, Vintage Cellars and Coles Express. With more than 99,000 team members and approximately 19.9 million transactions a week, the Coles division is an integral part of the Australian retail sector.



“Wesfarmers plans to invest at least \$2 billion into its two largest businesses, Coles and Bunnings, over the next year intensifying pressure on arch rival Woolworths.”

Source: The Age 21 May 2015 THE AGE

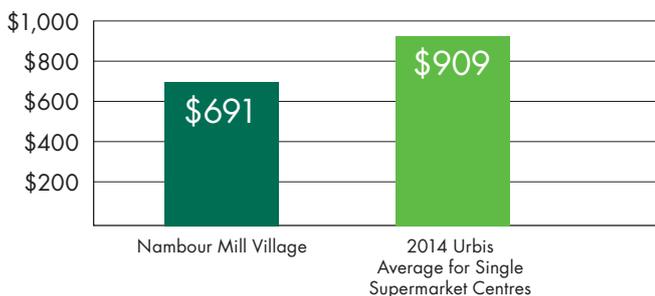
INCOME SUMMARY

COMPONENT	TOTAL
BASE RENT (PASSING)	
AS AT 30 SEPTEMBER 2015	
Coles	\$1,395,474
Discount Galore	\$97,349
Specialties (11)	\$376,668
Total Base Rent	\$1,869,491
OTHER INCOME	
Outgoing Recoveries	\$449,911
Casual Mall Leasing	\$5,900
Storage Income: Shop 9	\$2,600
Sundry Income: Evolve	\$6,300
Total Other Income	\$464,711
Gross income (passing)	\$2,334,202
EXPENSES/ALLOWANCES	
Outgoings Budget FY16	\$635,675
Land Tax	\$64,500
Lessor's Promotion Fund Contribution	\$4,465
Extended Trading Expenses	\$22,562
Total Expenses/Allowances	\$727,202
Estimated Net income (passing)	\$1,607,000
Plus current vacancies	\$457,878
Net income (fully leased)	\$2,064,877

OUTGOINGS ESTIMATE

STATUTORY CHARGES	FY16 BUDGET	PER SQM
Council Rates	\$151,875	\$23.51
Water Charges	\$40,599	\$6.28
Total Statutory Charges	\$192,474	\$29.79
OPERATING EXPENSES	TOTAL CENTRE BUDGET	SPECIALTY SHOP RATE
Insurance	\$35,975	\$5.57
Air Conditioning (Common Area)	\$6,711	\$1.04
Air Conditioning (Specialties)	\$16,642	\$13.55
Cleaning	\$92,135	\$14.26
Cleaning (Common Area Waste Disposal)	\$3,941	\$0.61
Waste Disposal (Specialties)	\$9,196	\$7.49
Repair & Maintenance	\$57,633	\$8.92
Parking & Gardens	\$21,864	\$3.38
Light & Power (Car Park)	\$18,801	\$2.91
Security	\$30,179	\$4.67
Salaries & Wages	\$80,167	\$12.41
Management fee	\$56,932	\$8.81
General Expenses	\$13,025	\$2.02
Total Operating Expenses	\$443,201	\$85.64
Total Outgoings (excl.Land Tax)	\$635,675	\$115.44
Land Tax	\$64,500	\$9.98
Total Recoverable Outgoings	\$700,175	\$125.42

AVERAGE SPECIALTY OCCUPANCY COST (\$/PSM)



Source: Urbis Shopping Centre Benchmarks 2014
 A complete financial analysis in excel format is available upon request.

DEPRECIATION ALLOWANCE

Given the Centre is brand new, significant depreciation benefits are available for purchasers. Indicative depreciation estimates are provided within the due diligence material.

6. TRADE AREA ANALYSIS

MacroPlan Dimasi has prepared an independent demographic analysis of the trade area served by Nambour Mill Village, a summary of which is provided below. A full copy of the demographic report is available upon request.



TRADE AREA ANALYSIS

The trade area for Nambour Mill Village has been defined to include three sectors, as described below:

- The primary sector encompasses the town of Nambour.
- The secondary north sector includes the town of Yandina and Eumundi.
- The secondary south sector contains the towns of Woombye and Palmwoods.
- The secondary west sector includes the rural areas to the west of Nambour as well as the town of Mapleton.

TRADE AREA POPULATION

The main trade area population is estimated at 39,880 residents at 2015, including 17,190 residents in the combined primary sectors. The main trade area population is projected to reach 50,590 residents by 2026, including 21,940 residents in the primary sector, reflecting an **average annual growth of 2.2%** over the forecast period.

NAMBOUR MILL VILLAGE TRADE AREA POPULATION, 2006–2026*

TRADE AREA SECTOR	ESTIMATED POPULATION	FORECAST POPULATION		
	2015	2018	2021	2026
Primary	17,190	18,240	19,440	21,940
Secondary				
*North	7,530	7,980	8,520	9,520
*South	11,210	12,110	13,100	14,850
*West	3,950	4,040	4,130	4,280
Total Secondary	22,690	24,130	25,750	28,650
Main Trade Area	39,880	42,370	45,190	50,590
Average Annual Growth Main Trade Area	1.8%	2.0%	2.2%	2.3%

SOCIO-DEMOGRAPHIC PROFILE

The key points to note include the following:

- The average age of the main trade area population, at 39.9 years, is older than the non-metropolitan Queensland benchmark.
- Home ownership levels within the main trade area are above the average for non-metropolitan Queensland fuelled by significantly above average representation of households own their place of residences across the secondary sectors.
- 83.1% of the trade area population is Australian born, which is slightly above the non-metropolitan Queensland benchmark.
- The household profile of the main trade area population is generally in line with the non-metropolitan Queensland average, with traditional families (i.e. couples with dependent children) accounting for 42.5% of all households in the main trade area.

RETAIL EXPENDITURE

The retail spending capacity of the main trade area population is expected to increase from \$495 million in 2015 to \$870 million in 2026. This reflects an average annual growth of 5.3% over the forecast period. Spending forecasts are expressed in inflated dollars, with inflation assumed at 2.0% per annum, and includes GST.

Trade Area	Estimated Retail Expenditure 2015	Forecast Retail Expenditure 2026
Primary Catchment	\$203 million	\$360 million
Secondary	\$292 million	\$510 million
Main Trade Area	\$495 million	\$870million

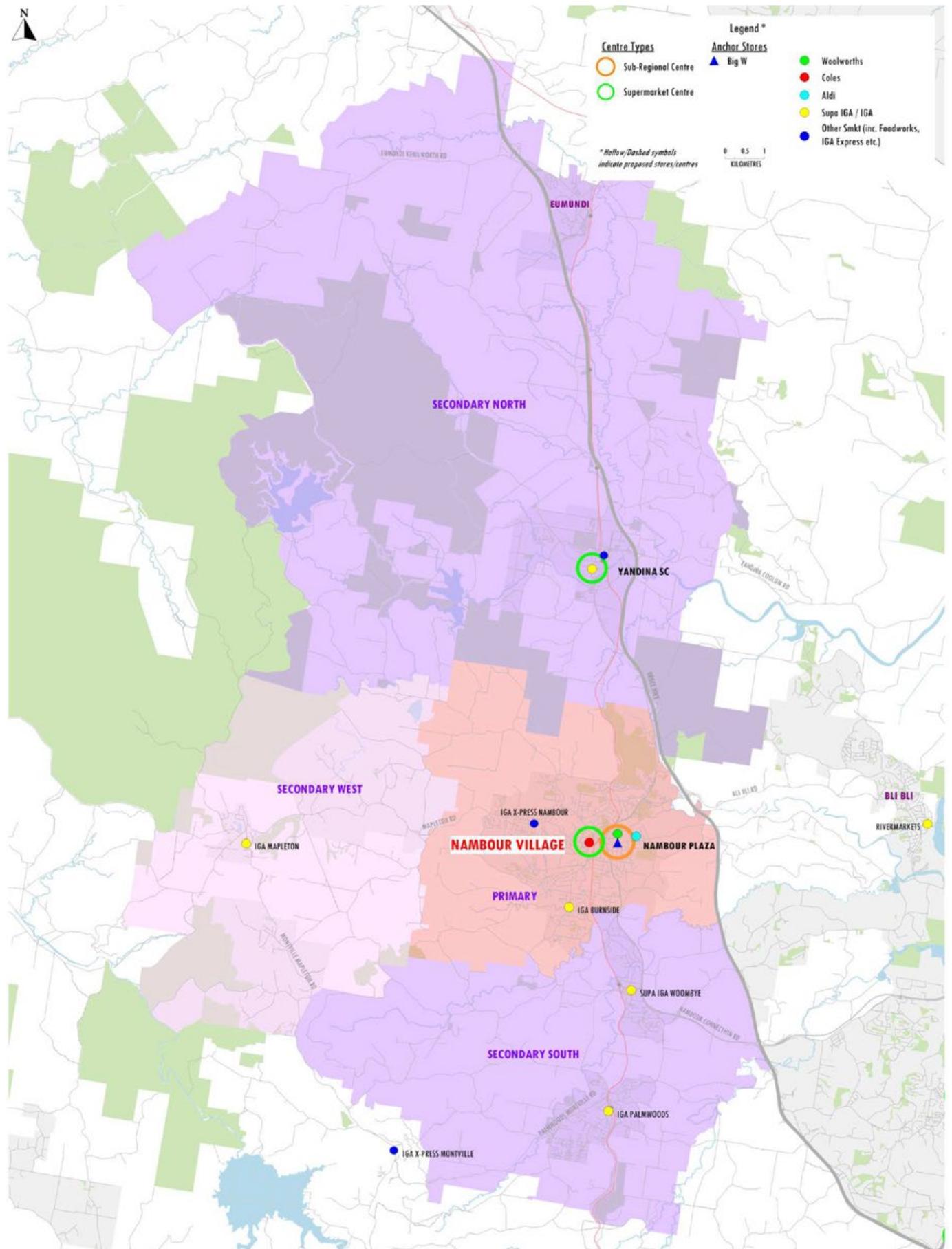
Source: MacroPlan Dimasi August 2015

Food, liquor and grocery (FLG) spending, which is the main expenditure category for supermarkets, is expected to grow from \$231 million in 2015 to \$411 million by 2026. This reflects **an average annual growth of 5.4% over the forecast period**, or a total increase of \$180 million.

“Strong average annual growth of 5.4% forecast in Food, liquor and grocery (FLG) spending in the Trade Area”



TRADE AREA AND COMPETITION MAP



7. METHOD OF SALE

A 100% interest in Nambour Mill Village is being offered For Sale by way of a Public Expression of Interest campaign **closing at 5:00pm (AEST) Thursday 17 September 2015.**

Expression of Interest are not required to be lodged in any prescribed form, however as a minimum, must include the following information:

1. Name of the interested party, together with the Principals supporting the interested party and any details of the holding company or entity if the interested party is a subsidiary of part of that group of companies.
2. The purchase price of a 100% interest in Nambour Mill Village, together with proposed deposit, settlement and any conditions of purchase, including internal and external approval processes.
3. A list of consultants including the purchaser's solicitor.
4. Full details of the interested party's capacity to complete the transaction in a timely manner.

Due Diligence

To gain access to the due diligence material in the data room, please sign and return the confidentiality agreement.

- Contract of Sale
- Vendors Statement
- Demographic Report
- Full Financial Analysis in Excel format
- Lease Documentation
- Site Plan
- Due Diligence Information

Inspections

Inspection of the property is highly recommended and can be arranged by appointment with the exclusive selling agents.

Enquiries

All enquiries regarding information and requests for inspections are to be directed to the exclusive selling agents overleaf.

8. AGENTS DETAILS

To discuss the property in greater detail or to arrange an inspection, please contact the following exclusive marketing agents:

CBRE National Retail Investments

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