

Investor in swoop on \$8m block of offices

Michelle Hele

A PRIVATE investor has swooped on a Brisbane CBD office building in a deal worth \$8.15 million.

The property at 247 Adelaide St has Qantas as its anchor tenant, occupying the entire ground floor.

Gareth Closter and Tobias Benz, of Chesterton International, negotiated the deal in an off-market transaction after the property was marketed earlier in the year.

The sale price reflects a rate of \$2662/sq m with a yield of 10 per cent, which Mr Closter said reflected the fact that the seven-level building needed some renovation of its services.

The building was bought by Lake Nathan Pty Ltd, which was represented in a deal by Marc Stuart, of Transaction Property Services.

Mr Benz said the building, which has one vacant floor, was previously owned by a property syndicate which expired earlier this year.

Mr Closter said during marketing the building had attracted interest from private investors and local syndicators because it was in a good location, had good holding income and potential future upside.

"There are cashed-up private investors looking for quality opportunities, however few assets offer the combination of substantial holding income with future upside," Mr Benz said.



MIX OF TENANTS: Tobias Benz and Gareth Closter in front of 247 Adelaide St.

Picture: Peter McNamara

Mr Closter said after the property had been marketed by a different agency, they approached a number of potential buyers and found one keen on it.

He said while most private investors were interested in the building, there was an emergence of buyers forming syndicates for investment.

The seven-level building has a mix of full-floor and partial-floor tenants. Mr Closter said the buyer liked the mix of tenants as it was less of a risk than a building leased to one tenant.

"There are still active buyers in the market, but there is a lack of quality opportunities with the right fundamentals," he said.