

Investec fund buys in Australia

Investec Australia Property Fund (IAPF) has bought two office properties to expand its exposure to New South Wales, Australia's largest and strongest-performing economy.

By [Alistair Anderson](#) 18 Jan 2017



Image source: www.pixabay.com

The fund, the only property company on the JSE that invests solely in Australia, has been a good performer since listing in 2013, providing a total return of 67.59% to shareholders.

IAPF acquired 2 Richardson Road, North Ryde and 20 and 24 Rodborough Road, Frenchs -Forest in a deal worth A\$160m (\$119.54m).

The assets held long-term benefits for IAPF, according to CEO Graeme Katz.

"These properties secure medium-term income for the fund with a weighted average lease expiry of at least 4.1 years. Furthermore, the buildings have extremely low vacancy rates, are occupied by quality tenants, and are ideally located to benefit from rezoning initiatives and surrounding infrastructure developments," said Katz.

IAPF would spend A\$85m, excluding transaction costs for the North Ryde property, which equated to an initial yield of 7%

It would spend A\$75m, excluding transaction costs, for the Frenchs Forest property, equating to an initial yield of 7.5%.

The North Ryde property is a four-level, A-grade office building 10km northwest of the central business district of commercial Sydney in the North Ryde commercial precinct.

The property was built in 2004 and comprises 15,055m² of office space, 150m² of ground floor retail space and 492 undercover and on-grade car parks.

The Frenchs Forest Property comprises two separate buildings, 20 Rodborough Road and 24 Rodborough Road.

The 20 Rodborough Road building is a campus-style office building that provides 12,366m² of office space, 325m² of ground floor retail space and 453 undercover and on-grade car parks.

The building has recently undergone an extensive A\$1.3m refurbishment programme that included upgrades to the lifts, refurbishment of some of the office levels, upgrades to the bathrooms and new disabled amenities.

The 24 Rodborough Road building is a modern office and warehouse facility with two levels of office space totalling 3,219m², one level of high-clearance warehouse space totalling 3,979m² and a total of 130 undercover car parks.

Source: BDpro

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