



G O W I N G B R O S

Investing Together For a Secure Future

GOWING BROS LIMITED

EST. 1868

ACN 000 010 471

UNIT 21, UPPER DECK

JONES BAY WHARF

26-32 PIRRAMA ROAD

PYRMONT NSW 2009

TEL 61 2 9264 6321

FAX 61 2 9264 6240

www.gowings.com

20 June 2017

ASX Market Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

RELEASE OF INFORMATION MEMORANDUM IN RELATION TO PORT CENTRAL

Further to its announcement of 12 April, 2017 Gowing Bros. Limited (**Gowings**) is pleased to announce that it has released the Information Memorandum in relation to the expression of interest process for the Port Central shopping centre.

Expressions of interest are being sought for a complete sale of the Port Central asset, or alternatively for an opportunity to continue the development of Port Central with a suitable joint venture partner.

A copy of the Information Memorandum can be obtained from the Gowings website <http://gowings.com/reports-announcements/#reports-to-the-australian-securities-exchange> and is attached to this release.

John Gowing
Managing Director



FOR SALE BY
INTERNATIONAL EXPRESSIONS OF INTEREST
CLOSING 4PM (AEST) WEDNESDAY 12TH JULY 2017

STONEBRIDGE

CONTENTS

INTRODUCING PORT CENTRAL	4
INVESTMENT HIGHLIGHTS	6
EXECUTIVE SUMMARY	8
LOCATION & POSITION	12
TRADE AREA	18
PROPERTY OVERVIEW	22
FINANCIALS	30
DEVELOPMENT POTENTIAL	33
ANNEXURES	41





PORT CENTRAL IS A
THRIVING SUB-REGIONAL
SHOPPING CENTRE
POSITIONED AT THE HEART
OF ONE OF AUSTRALIA'S
MOST SOUGHT AFTER
REGIONAL CITIES.

PRIMED FOR A MAJOR RETAIL
EXPANSION OR MIXED-
USE DEVELOPMENT, PORT
CENTRAL IS AN ASSET OF
EXTREMELY RARE PEDIGREE.

INTRODUCING PORT CENTRAL

Port Central, a thriving sub-regional shopping centre located in the regional city of Port Macquarie, NSW Australia.

Port Central is a modern, 5 Star NABERS rated, predominantly single level sub-regional shopping centre anchored by Target and Ritchies Supa IGA (Metcash Limited) and supported by 1 mini major, 52 specialty shops, 5 kiosks and 6 ATMs over a total GLAR of 15,330 sqm*.

The Centre boasts a coveted and longstanding tenancy profile, with 97%* of area secured to national or chain retailers and an average tenure at the centre of 19.2 years* (or 10.9 years* excluding majors). Low average major tenant rentals, strong fixed annual specialty rental reviews and sustainable specialty occupancy cost ratios indicate potential for future income growth.

Situated at the heart of the Port Macquarie CBD, the 1.7 hectare* site is surrounded by a complementary mix of hotels, high density residential developments, commercial, tourism and entertainment uses. Along with the adjoining vacant council land (under option), the property presents a rare opportunity to acquire a well-established centre ripe for a major retail or mixed-use redevelopment (STCA).

With either a partial or 100% interest being offered for sale, Stonebridge invites leading investors, developers and joint venture partners to contact us to arrange a formal presentation or on-site inspection to explore the existing investment and development potential in further detail.

Port Central is for sale by International Expressions of Interest, closing 4PM (AEST) Wednesday 12th July 2017.

STONEBRIDGE

Jonathan Fox
Director
+61 402 147 780

Carl Molony
Director
+61 408 780 772

Philip Gartland
Director
+61 403 582 324

Lincoln Blackledge
Director
+61 439 032 028

*Approximate





INVESTMENT HIGHLIGHTS



HIGHLY ACCESSIBLE REGIONAL CITY

- Attractive North Coast of NSW destination positioned between Sydney and Brisbane
- Direct flights to Sydney (1h 10m), Melbourne (1h 45m) and Brisbane (1h 25m)¹
- Strong regional economy, featuring a low 4.2% unemployment rate, \$4.2bn Gross Regional Product and a diverse mix of 6,000 businesses²
- Major infrastructure investment in the Pacific Highway, Port Macquarie Airport, Port Macquarie Base Hospital and Charles Sturt University



TROPHY SUB-REGIONAL RETAIL INVESTMENT – 5 STAR NABERS ENERGY RATING

- Modern and well-presented, predominantly single level sub-regional shopping centre refurbished into a market-leading 5 Star NABERS Energy rated centre
- Anchored by Target and Ritchies Supa IGA (Metcash Limited) and supported by 1 mini major, 52 specialty shops, 5 kiosks and 6 ATMs over 15,330 sqm* of GLAR
- Abundant provision of 839 car spaces*, reflecting a ratio of 1 space per 18 sqm* of GLAR
- Impeccably managed, with active marketing strategies and recent investment in customer tracking and analytics set to further solidify Port Central's position at the top of the Port Macquarie retail hierarchy



OUTSTANDING INCOME SECURITY + GROWTH POTENTIAL

- 97% of GLAR* secured to national or chain retailers
- Longstanding tenancy profile – the weighted average tenure at the centre is 19.2 years*, or 10.9 years* excluding majors⁴
- Low average gross major rentals of \$175 per sqm* provide scope for future upside
- Sustainable specialty occupancy cost ratio of 13.1%* (excl. travel and lotto) plus strong fixed rental growth provisions
- 94%* of specialty and mini-major tenants on net leases and partial outgoings recovery from major tenants
- Potential to capitalise on additional income opportunities such as paid car parking, casual mall, electricity profit and mall media

*Approximate

¹ www.portmacquarieairport.com.au

² LocationIQ

³ North Coast Regional Plan

⁴ Based on historical data from 2008 and includes original commencement date for tenants who have relocated within the centre. Assumes tenants stay in occupation until the end of current lease expiry (excludes options). Calculation by current area, excluding vacancies, ATMs



DIVERSE & GROWING TRADE AREA - RESIDENTS, WORKERS & TOURISTS

- Large Main Trade Area (MTA) estimated at 80,970 in 2016, projected to increase on average by 1.2% per annum to 2031¹
- 3rd most popular Australian tourist destination by overnight stays¹, providing a diversity of customer profile and additional growth potential
- Large worker trade area of 17,130 workers generates significant retail expenditure of over \$243 million¹
- A strong economy, productive infrastructure investment, major land release and medium to high density developments around the city centre underpin population growth potential



EXPANSIVE CBD SITE IN DOMINANT POSITION

- Large 1.7 Hectare* site at the core of the Port Macquarie city centre
- Dominant position at the heart of a vibrant hotel, commercial, retail and leisure & entertainment precinct
- The Vendor has negotiated an option to acquire key adjoining vacant corner site to unlock future development potential
- Flexible B3 Commercial Core zoning with a 19-metre height limit and FSR of 3.5:1²



COMPREHENSIVE DEVELOPMENT POTENTIAL - RETAIL & MIXED-USE

- Short WALE of 2.3 years* (by area) and limited option periods provides a canvass for a comprehensive retail or mixed-use development³
- Advanced interest from major retailers, including supermarkets and international fashion
- Option to purchase adjoining expansion land provides an opportunity to plan a staged construction⁴
- Exceptional view potential, existing planning controls and the surrounding high density development highlight the merits of mixed-use on the site³

* Approximate

¹ LocationIQ

² Port Macquarie-Hastings Local Environmental Plan 2011

³ Subject to Council approval

⁴ Option subject to conditions. Refer to Option terms in the online data room

EXECUTIVE SUMMARY

CENTRE DETAILS

Gross Lettable Area*	15,330 sqm
Car Spaces*	839 (1 space per 18 sqm)
Tenancy Mix	Target, Ritchies Supa IGA, 1 mini major, 52 specialty shops, 5 kiosks & 6 ATMs
Net Operating Income (Fully Leased)*	\$7,155,465 per annum
Net Operating Income (Passing)*	\$6,747,013 per annum
% leased to national/chain retailers (by area)*	97%
Occupancy Rate (by area)*	98.3%
WALE (by area)*	2.3 years
Average Gross Major Rentals*	\$175 per sqm
Average Gross Specialty Occ. Costs*	13.1%

SITE DETAILS

Address	40-42 Horton St, Port Macquarie NSW 2444
Title Details	Lot 100 Deposited Plan 855100
Site Area*	Main Centre: 17,490 sqm ¹ Expansion Land (Under Option): 2,400sqm ² Total (incl. option land): 19,890 sqm
Zoning	B3 Commercial Core
Height Limit	19 Metres ³
FSR	3.5:1 ³

SALE DETAILS

Method of Sale	International Expressions of Interest
EOI Close Date	Wednesday 12th July 2017

* Approximate

¹ Deposited Plan 855100 (Lot 100)

² SixMaps – Estimated area only

³ Port Macquarie-Hastings Local Environmental Plan 2011



Boundary indicative only







PORT CENTRAL OCCUPIES A DOMINANT POSITION AT THE
HEART OF A THRIVING REGIONAL CITY

O1 LOCATION & POSITION

LOCATION

Port Macquarie is a regional city located on the thriving North Coast of NSW, 390 kilometres* north of Sydney.

Port Macquarie forms part of the Port Macquarie - Hastings Council Local Government Area and is a diversified regional business centre and a popular tourist destination, both of which benefit from outstanding regional connectivity via the Pacific Highway and Port Macquarie Airport (direct flights to Sydney, Melbourne and Brisbane).

The area has a diverse and vibrant economy as a result of ongoing investment in tourism, health, education, agriculture and aviation sectors. Recent major investment includes the Pacific Highway upgrade (\$1.5B), Port Macquarie Airport (\$21m), Port Macquarie Base Hospital (\$104m) and the new Charles Sturt University Campus (\$47m). Sustained infrastructure investment has driven exceptional economic conditions and a strong outlook, with the Port Macquarie-Hastings unemployment rate at 4.2% in 2016, significantly below NSW average of 6.2%¹.

Identified as one of 4 regional cities under the NSW Government's North Coast Regional Plan 2017 (NCRP), Port Macquarie is considered as a critical component of the region's population growth over the next 20 years, as well as supporting essential jobs growth and health and education services.

*Approximate

¹ LocationIQ



REGIONAL CONNECTIVITY



The \$15bn Pacific Highway upgrade is strengthening connectivity to other economic powerhouses to the north and south, unlocking new markets and opportunities for the Port Macquarie economy.



NSW NORTH COAST DESTINATION

- Attractive North Coast of NSW destination positioned between Sydney and Brisbane
- Direct flights to Sydney (1h 10m), Melbourne (1h 45m) and Brisbane (1h 25m)¹
- Proximity to the Pacific Highway (6.2m vehicles per annum) and Oxley Highway (4.1m vehicles per annum) provides major regional connectivity²



BOOMING TOURISM INDUSTRY

- 17 beaches, vast hinterland, major tourist attractions and events and approximately 29 hotels, motels and service apartment facilities²
- 3rd most popular Australian tourist destination by overnight stays, providing a diversity of customer profile and additional growth potential
- The region accommodated 1.4 million visitors and stayed a combined 2.7 million nights in 2015²



STRONG & DIVERSE ECONOMY

- \$4.2 billion Gross Regional Product (GRP) for the Port Macquarie - Hastings LGA²
- Diverse mix of 6,000 businesses in the region including health care (17.5%), retail trade (14.5%) and accommodation & food services (2.7%)²
- Low 4.2% unemployment rate (6.2% in NSW)²



LAND RELEASE & GROWTH PRIORITY AREA

- Minimum additional dwelling supply of 8,800 dwellings targeted by the NSW Government North Coast Regional Plan
- Thrumster Urban release area in with an estimated yield of 4,250 dwellings and additional investigation areas identified in close proximity to the city centre to drive long term growth⁵
- A range of medium to high density residential developments approved or under construction around the city centre indicate potential for increased densification



MAJOR INFRASTRUCTURE INVESTMENT

- By 2020 approximately \$15 billion is expected to be invested in the Pacific Highway, providing greater connectivity between Port Macquarie and other regional economic powerhouses⁵
- \$21 million airside infrastructure upgrade at Port Macquarie Airport to facilitate B737 and A320 aircraft to boost economic development and tourism potential¹
- \$104 million upgrade of Port Macquarie Base Hospital funded by Federal and NSW Governments³
- \$47 million stage 1 of a 3-stage development of Charles Sturt University. The Campus is predicted to attract 1,000 students by the end of 2017 and 5,000 students by 2030⁴

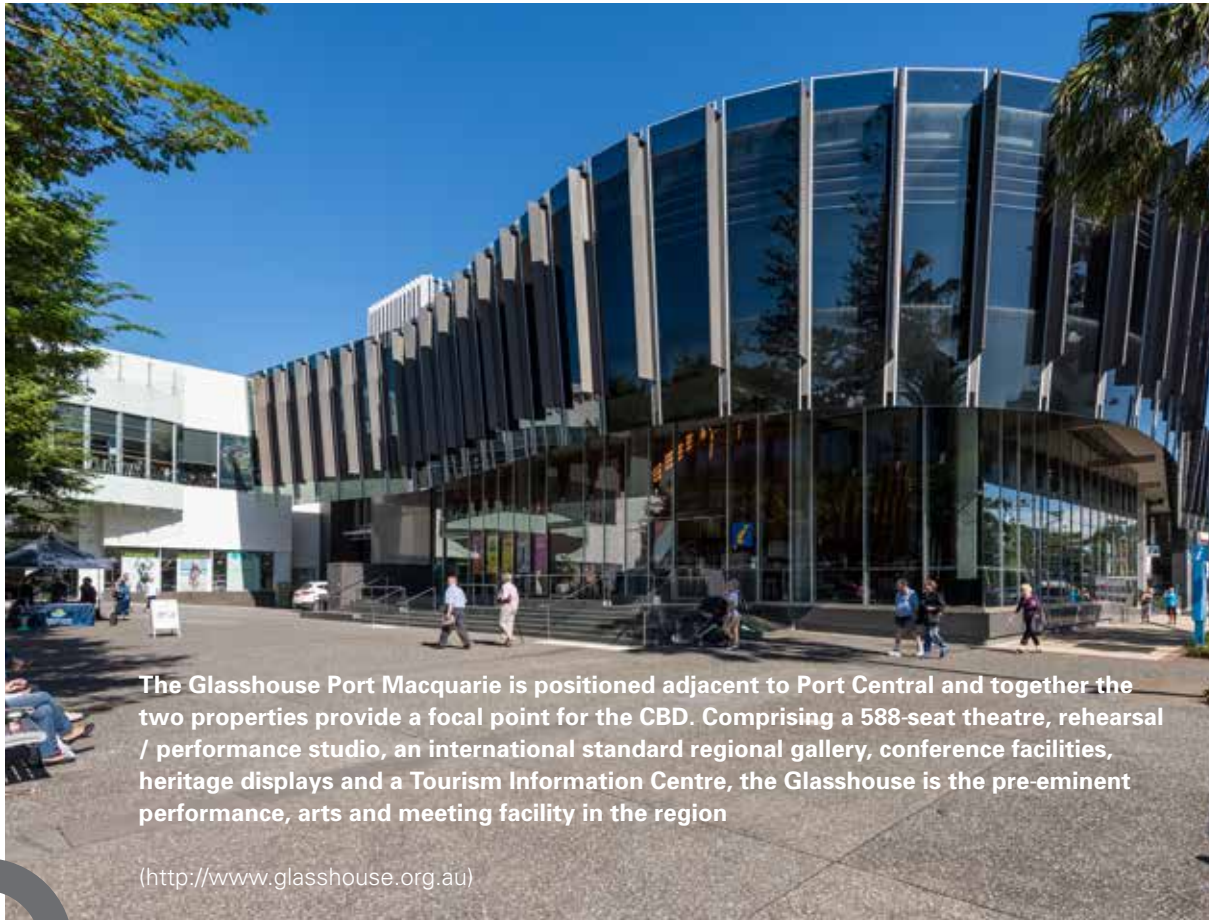
¹ www.portmacquarieairport.com.au

² Location IQ

³ <http://www.health.gov.au>

⁴ <http://news.csu.edu.au>

⁵ NSW Government North Coast Regional Plan 2017



POSITION

Port Macquarie is a thriving cultural and civic centre, accommodating a distinctive mix of retail, commercial, tourism, entertainment and cultural activities. Port Central occupies a dominant town centre position and is a true focal point for surrounding residential, worker and tourist catchment.



Boundary indicative only



High density
precinct

Mercure
Hotel

The Glasshouse

Cinemas

Port Macquarie
Hotel

The Residence
Apartments

Mid
Pacific
Hotel

Bay
Point
Apartments

Mantra
Quayside

Planned
Foreshore
Upgrade



02 TRADE AREA

PORT CENTRAL SERVICES A DIVERSE AND GROWING TRADE
AREA OF RESIDENTS, WORKERS AND TOURISTS

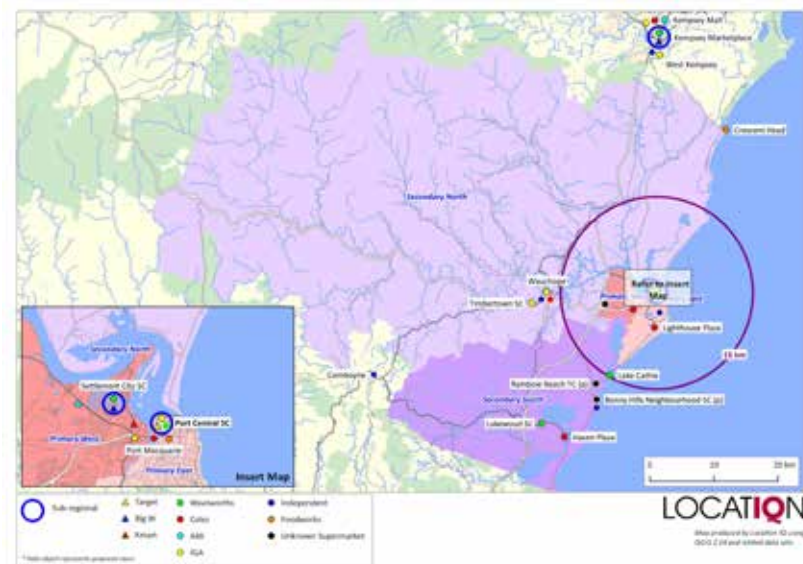
TRADE AREA ANALYSIS

A Trade Area Analysis has been prepared by Location IQ and is available upon request. A brief summary of the key findings is provided in this section.

TRADE AREA DEFINITION

The Centre benefits from a large and diverse trade area and a unique mix of resident, worker and tourist visitation. The main trade area includes two primary sectors and two secondary sectors as illustrated below.

Map: Port Central Main Trade Area



TRADE AREA POPULATION

The main trade area population is currently estimated at 80,970 in 2016, including 46,090 persons within the combined primary sectors. The main trade area population is projected to increase to 96,995 by 2031, representing an average annual growth rate of 1.2%, or 1,068 persons. This is higher than the non-metropolitan New South Wales average annual population growth rates over the same period¹.

Table: Total Trade Area Population, 2006 – 2036

Trade Area Sector	Estimated Resident Population 2006	2011	2016	2019	Forecast Population 2021	2026	2031
Primary Sectors							
• East	26,250	27,650	28,800	29,400	29,700	30,325	30,825
• West	13,960	15,490	17,290	18,790	19,790	22,290	24,790
Total Primary	40,210	43,140	46,090	48,190	49,490	52,615	55,615
Secondary Sectors							
• North	15,860	16,830	17,880	18,480	18,880	19,630	20,380
• South	16,000	16,500	17,000	17,600	18,000	19,500	21,000
Total Secondary	31,860	33,330	34,880	36,080	36,880	39,130	41,380
Main Trade Area	72,070	76,470	80,970	84,270	86,370	91,745	96,995
Average Annual Change (%)							
	2006-2011	2011-2016	2016-2019	2019-2021	2021-2026	2026-2031	
Primary Sectors							
• East	1.0%	0.8%	0.7%	0.5%	0.4%	0.3%	
• West	2.1%	2.2%	2.8%	2.6%	2.4%	2.1%	
Total Primary	1.4%	1.3%	1.5%	1.3%	1.2%	1.1%	
Secondary Sectors							
• North	1.2%	1.2%	1.1%	1.1%	0.8%	0.8%	
• South	0.6%	0.6%	1.2%	1.1%	1.6%	1.5%	
Total Secondary	0.9%	0.9%	1.1%	1.1%	1.2%	1.1%	
Main Trade Area	1.2%	1.2%	1.3%	1.2%	1.2%	1.1%	
Non Metro NSW	1.0%	0.7%	0.7%	0.6%	0.5%	0.4%	

All figures as at June
All figures are based on 2011 SAE boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition. 2006 and 2011 ERP is calculated using 2011 enumeration factor.
Sources : ABS, SAE by iQ

LOCATION IQ

¹ Location IQ

TRADE AREA ANALYSIS (CONT.)

WORKER POPULATION

According to Location IQ, the defined worker trade area for Port Central contains a total of 17,130 workers, with estimated total retail expenditure of some \$243.4 million.

By virtue of its town centre position, Port Central is ideally placed to serve the retailing needs of the local worker population.

TOURISM

Port Macquarie features 17 beaches, vast hinterland, major tourist attractions and events and an established accommodation market of approximately 29 hotels, motels and service apartment facilities. The region accommodated 1.4 million visitors and stayed a combined 2.7 million nights in 2015¹.

Port Central is situated at the core of the town's premiere hotel, leisure and entertainment precinct and is surrounded by a concentration of hotels. The Centre is ideally positioned to capture the retail trade associated with the thriving tourism industry.

The Greater Port Macquarie Management Plan aims to grow the prominence of the Port Macquarie region as a tourism destination whilst increasing total overnight visitor expenditure by 7.1% per annum until 2020.

THE PRESENCE OF A STRONG
WORKER POPULATION
AND A STRONG TOURISM
INDUSTRY ENSURES PORT
CENTRAL DRAWS UPON A
MULTI-FACETED CUSTOMER
BASE WITH EXCELLENT
GROWTH PROSPECTS.



¹ Location IQ

GROWTH PROSPECTS

The North Coast Regional Plan identifies Port Macquarie as a key location for residential growth and identifies a number of existing urban release areas and major urban release investigation areas that are expected to facilitate population growth.

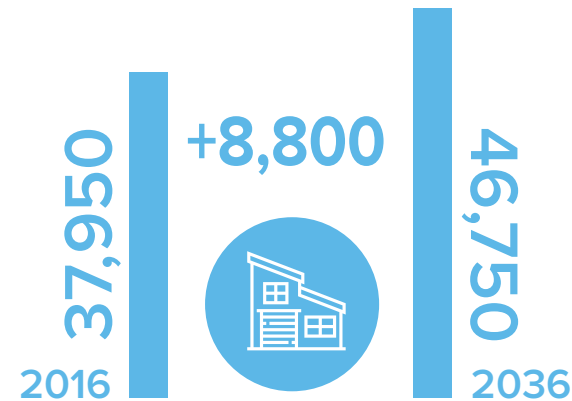
Port Central is positioned at the heart of a precinct undergoing increasing densification, with a range of medium to high density projects approved or under construction in the immediate vicinity of the centre. The NCRP states a key objective to “enhance the variety of housing options by increasing the number of homes in and around the Port Macquarie city centre”.

Major sources of growth may include²:

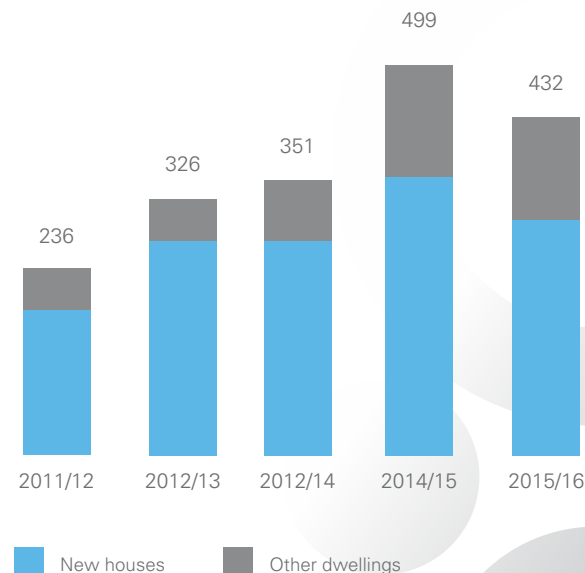
- Sovereign Hills (Primary West sector) is the largest residential estate in the region and Port Macquarie’s only master planned community, expected to accommodate around 2,000 homes. The developer (Lewis Land Group) will look to release more than 200 lots for sale in 2017, double the number of lots in 2016.
- A number of future land releases, including the Rainbow Beach subdivision, which was approved by the Northern Joint Regional Planning Panel in February 2017, and is planned to yield up to 702 lots across stages.
- Future subdivisions within the main trade area are expected to be focused around growth areas at Thrumster, Wauchope, Lake Cathie, Bonny Hills and Camden Haven.

Sustained road, air, health and educational infrastructure investment in Port Macquarie provides the platform for sustained population growth.

MINIMUM ADDITIONAL DWELLINGS REQUIRED BY 2036¹



MAIN TRADE AREA NEW DWELLING APPROVALS²



¹ North Coast Regional Plan

² LocationIQ



03 PROPERTY OVERVIEW

A MODERN SUB-REGIONAL SHOPPING CENTRE WITH A RARE
5 STAR NABERS ENERGY RATING

PROPERTY DESCRIPTION

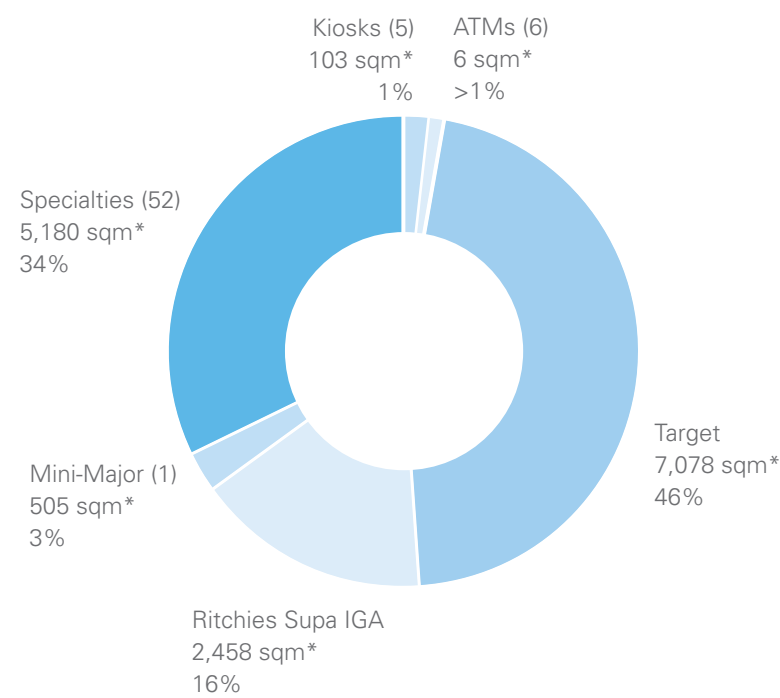
GENERAL

Port Central is a modern, predominantly single level sub-regional shopping centre originally developed in late 1995 and subsequently refurbished into a market-leading 5 Star NABERS rated centre.

The 'L-shaped' centre is predominantly configured over a single trading level anchored by Target and IGA, together with a part upper level comprising a food court and a limited number of shops.

LETTABLE AREA BREAKDOWN

The lettable area of the Centre is briefly summarised as follows:



LAYOUT & DESIGN

The centre is a traditional 'L-Shape' format, with a provision of retail specialty floorspace along the east-west pedestrian mall.

The Target discount department store and Supa IGA supermarket anchor the eastern portion of the centre, as well as Chemist Warehouse. The western portion of the centre opens onto the busy Horton Street retail strip, which comprises additional retail and complimentary non-retail facilities and serves as a pedestrian thoroughfare for the Port Macquarie City Centre.

CAR PARKING

Parking at the centre is provided at basement and rooftop level, with ingress and egress from Murray Street. A total provision of approximately 839 car bays (383 at first floor and 456 at second floor) equates to 1 space per 18 sqm of retail floorspace, which is at the upper end of typical sub-regional shopping centre benchmarks.

PROPERTY DESCRIPTION (CONT.)

SUSTAINABILITY

Port Central has been upgraded with an eye on the future, with significant environmentally sustainable initiatives completed in 2013. The Centre is one of only 6 shopping centres in Australia with a 5-star NABERS energy rating¹.

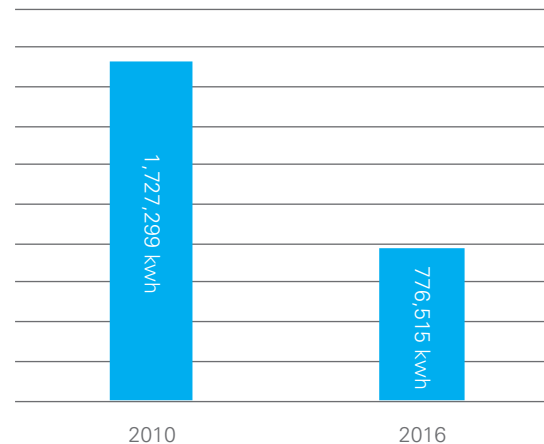
The energy efficiency is being achieved by the installation of high efficiency chillers and advanced BMS, a 99kw solar PV unit, VSD save economy mode linked to louvers in the shopping centre².

INNOVATION

Port Central is impeccably managed by Gowings Limited, one of Australia's leading shopping centre owners and managers. A range of recent and planned initiatives set to benefit an incoming purchaser include:

- Installation of wireless access points throughout the centre to enable free WI-FI and tracking of customer journeys to inform future leasing and promotions
- Installation of cabling infrastructure for installation of LED screens to maximise advertising revenue and enhance customer experience
- Installation of backlit light boxes for centre promotions and additional revenue
- Active marketing initiatives to drive visitation, such as the Real Food Local Produce Markets which drive an uplift of 6% in foot traffic on Tuesdays
- Plans for a comprehensive ambience upgrade to the common mall and activation of the Hay Street frontage into an outdoor café/dining precinct (STCA)

Port Central Energy Consumption Reduction



Source: Vendor

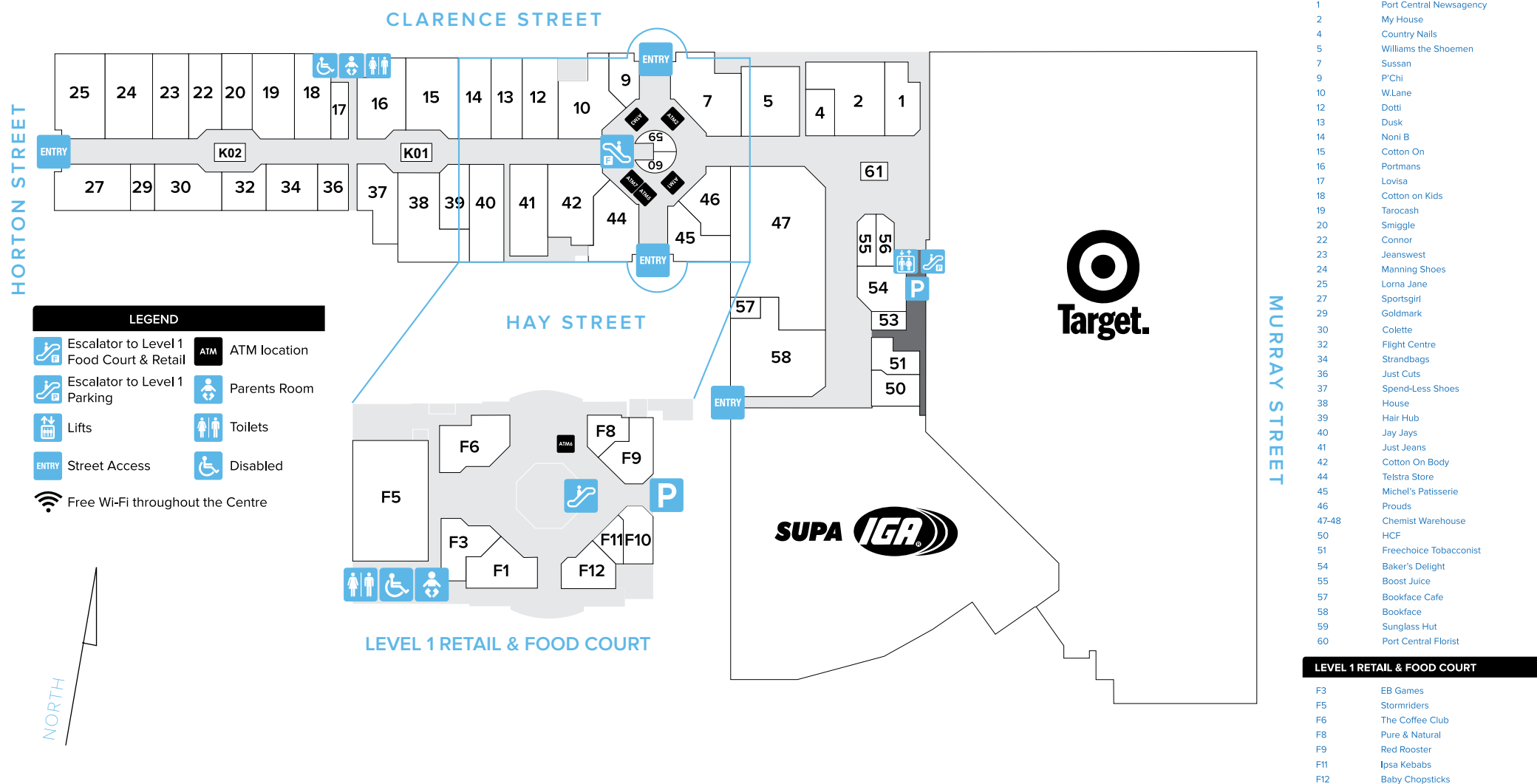


¹ <https://nabers.gov.au/>

² www.napierblakeley.com/sustainability



CENTRE LAYOUT PLAN





SITE DETAILS

GENERAL

Port Central occupies an expansive 17,490 sqm* site at the core of Port Macquarie city centre.

The site particulars are briefly summarised below.

Address	40-42 Horton St, Port Macquarie NSW 2444	
Title Details	Lot 100 Deposited Plan 855100	
Site Area*	Main Centre:	17,490 sqm*
	Expansion Land (Under Option):	2,400 sqm*
	Total (incl. option land):	19,890 sqm*

EXPANSION LAND

Following extensive negotiations with Council, the Owner has secured an option to acquire an adjoining 2,400 sqm¹ vacant parcel of land known as 99 William Street (Lot 1 DP 1012667). The land occupies a major frontage at the corner of Murray and William Streets and unlocks a multitude of future expansion or redevelopment options for the Port Central site.

Details and conditions relevant to the option are available upon request.

PLANNING CONTROLS

The site benefits from a flexible Commercial Core zoning and is surrounded by complementary uses including medium and high density residential zonings².

Zoning	B3 Commercial Core
Height of Building	19 metres
Floor Space Ratio	3.5:1
Permitted with Consent	Boarding houses; Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Hotel or motel accommodation; Information and education facilities; Medical centres; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Roads; Shop top housing; Any other development not specified in item 2 (permitted with consent) or 4 (prohibited).

* Approximate

¹ Sixmaps. Approximate Only.

² Port Macquarie-Hastings Local Environmental Plan 2011



Boundary indicative only

*Approximate



04 FINANCIALS

LONGSTANDING TENANCY PROFILE COMPRISING
97% NATIONAL/ CHAIN RETAILERS

FINANCIALS

OVERVIEW

Port Central comprises an extremely rare combination of income security and growth potential.

Key financial highlights include:



LONGSTANDING TENANCY PROFILE

- Weighted average tenure at the centre, based on current expiries, is 19.2 years¹
- Weighted average tenure at the centre excluding major tenants, is 10.9 years¹



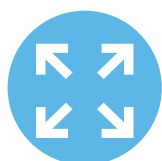
EXCEPTIONAL COVENANT STRENGTH

- Outstanding national/chain tenant representation at 97%* of GLAR
- 62%* of area secured to Target and Ritchies Supa IGA (Metcash Guarantor)



STRONG GROWTH PROSPECTS

- Average gross major rentals of \$175 per sqm*
- Weighted average non-major rent reviews of 4%-5%*
- Sustainable specialty occupancy cost ratio of 13.1%*



LIMITED LEASE OPTIONS

- The vendor has strategically not granted option periods for specialty and mini major tenants to ensure maximum flexibility
- A 5-year option to Ritchies (expiring Nov-25) and 2x5 year options to Target (expiring Jul-29) presents long term repositioning opportunities



EXCELLENT RECOVERY PROFILE

- 94%* of specialty and mini-major tenants on net leases
- Partial outgoings recovery from major tenants
- 5 star NABERs energy rating expected to deliver long term cost savings



VALUE-ADD POTENTIAL

- Potential to derive additional income from strategic leasing, casual mall leasing, parking and signage/media income (recently installed cabling)
- Ambience upgrade and marketing initiatives to further activate key frontages and increase foot traffic

* Approximate

¹ Based on historical data from 2008 and includes original commencement date for tenants who have relocated within the centre. Assumes tenants stay in occupation until the end of current lease expiry (excludes options). Calculation by current area, excluding vacancies, ATMs

OUTGOINGS BUDGET

The estimated FY18 Outgoings Budget for the Centre is \$2,426,625 per annum as detailed below.

	FY18 Budget	
	\$ pa.	\$/m ² pa.
Statutory Expenses		
Municipal / Council Rates	231,505	15
Water & Sewerage Rates	74,142	5
Land Tax	179,888	12
Total Statutory Charges	485,535	32
Operating Expenses		
Insurance Premiums	72,525	5
Air Conditioning / Ventilation (1)	248,674	16
Common Area Cleaning	422,952	28
Centre Supervision	81,196	5
Car Parking	960	0
Electricity	82,105	5
Fire Protection / Public Address System	31,437	2
Lifts & Escalators	39,857	3
Pest Control	2,508	0
Repairs & Maintenance	35,776	2
Security / Access Control	123,790	8
Salaries & Wages	312,850	20
Gardening / Landscaping	3,000	0
Administration / Management Fee	375,024	24
Miscellaneous	4,505	0
Total Operating Expenses	1,837,158	120
Total Recoverable Outgoings	2,322,693	152
Non-Recoverables		
After House Expenses	49,500	3
Owners Promotion Fund Contribution	54,432	4
Total Non-Recoverable Expenses	103,932	7
Total Outgoings	2,426,625	158

(1) Includes an 'Energy Initiative' item of \$100k per annum, which is paid to the owner by the centre, for the provision of electricity and energy management.

FINANCIAL SUMMARY

The following financial summary reflects the tenancy information forecast as at 1 August 2017.

	Area m ²	Base Rent \$ pa.	Recoveries \$ pa.	% Rent Yr 1, \$ pa.	Total \$ pa.
Passing Income					
Majors	9,536	1,159,640	510,578	-	1,670,218
Mini-Majors	505	594,469	89,578	-	684,047
Specialties	4,973	5,409,140	825,640	67,663	6,302,443
Kiosks	44	127,676	7,732	-	135,408
ATMs	6	103,603	-	-	103,603
Total Passing Rental Income	15,063	7,394,528	1,433,529	67,663	8,895,720
Other Income					
Storage Income					36,208
Signage					20,200
Casual Mall Leasing					72,010
Green Energy Income (1)					100,000
After Hours Recovery					49,500
Total Other Income					277,918
Gross Passing Income					9,173,638
Less Outgoings					
Statutory Expenses					485,535
Operating Expenses					1,837,158
Non-Recoverable Expenses					103,932
Total Outgoings					2,426,625
Total Passing Net Operating Income					6,747,013
Add Vacancy Income					
Est. Income Potential from Vacancies	267	408,452	-	-	408,452
Est. Fully Leased Net Operating Income	15,330				7,155,465

(1) Reflects income item paid to the owner by the centre, for the provision of electricity and energy management.

05 DEVELOPMENT
POTENTIAL

A RARE OPPORTUNITY FOR A LANDMARK RETAIL
OR MIXED-USE DEVELOPMENT

RETAIL EXPANSION POTENTIAL

The Vendor is in the advanced stages of planning a staged retail expansion of Port Central (subject to relevant approvals and existing lease provisions). Location IQ have prepared a detailed gap analysis to identify potential demand for a retail expansion. A copy of the report and indicative plans are available in the online data room.

Key principles that underpin a potential retail expansion include:

Expansion Land Option

The negotiation of an option to purchase the key 2,400 sqm* vacant site fronting William and Murray Streets providing a unique opportunity for expansion.

Short WALE and strategic option profile

The owner has strategically managed the centre expiry profile to unlock development potential in the short to medium term. The Centre WALE of 2.3 years (by area)* and absence of lease option periods on specialty leases ensures maximum flexibility.

Ability to secure a major full-line supermarket & discount supermarket

There is solid potential for a full-line supermarket to locate at a redeveloped Port Central given this low provision of supermarket floorspace and the strong performance of surrounding full-line supermarket offers.

The MTA population of over 80,000 persons would support up to ten major full-line stores (currently six in the MTA), particularly with the trade area population projected to increase to close to 100,000 persons by 2031.

Woolworths would be the most likely to provide a full-line offer at Port Central, which aligns with their flagged pursuit of an additional store in the catchment. This would be a replacement store for the previous Food for Less located in the Town Centre. The only other Woolworths supermarket within the primary sector is at Settlement City, meaning they have one store serving a population of close to 50,000 persons.

In addition to a potential Woolworths, Aldi serves a population of 15,000 - 20,000 people, with more than 80,000 persons throughout the defined trade area. This would indicate four Aldi stores are supportable with only one Aldi supermarket currently provided throughout this region.¹

Low provision of mini-majors

Based on strong existing specialty performance and the existing low level of mini-major floorspace at the centre, an increased provision of mini-majors could be supported at a redeveloped Port Central, reinforcing the centre as a major retail destination.

A range of national retailers occupy strip retail/high street retail space in Port Macquarie, predominantly due to the lack of available space at Port Central. The provision of additional floorspace may draw a number of national retailers into the centre.¹

Low provisions of specialty floorspace compared with sub-regional benchmarks

The provision of retail specialty floorspace at the centre is 1,443 sqm lower than the comparable sub-regional shopping centre benchmark. Sales on a productivity basis are around 17% higher than the sub-regional shopping centre average, indicating potential for additional specialty provision.¹

Ideal position for fresh food and dining options

Food & Liquor and Food Catering are the largest spending groups in the MTA and are forecast to grow at 5.1% per annum to 2031 (a faster growth rate than other categories). Food & Liquor and Food Catering uses comprise only 3.8% of total GLA at Port Central, compared with the benchmark of 6.8%.¹

A redevelopment with a strong fresh and prepared food offering would ideally suit Port Central's dominant position and demand from hotels, high density residential and entertainment & leisure uses, with particular synergies with the nearby cinemas and adjacent Glasshouse theatre and regional gallery.

Non-Retail Potential

Non-retail tenants add to the destination appeal of the centre and dynamics of the trade area, with possible tenants including gymnasiums, childcare, medical tenants and other service uses.

¹ LocationIQ

Potential tenants

Woolworths 



rebel

JB HI-FI



TJ-maxx


Kathmandu

Artists impression of a major retail expansion at Port Central, planned to accommodate a full-line supermarket, discount supermarket and international fashion (STCA).



Artists impression of the proposed upgrades to the Hay Street public domain (STCA).



MIXED-USE DEVELOPMENT POTENTIAL

In addition to the retail expansion potential, Port Central is ideally positioned for a comprehensive mixed-use development. The Vendor has prepared concept plans for a stageable mixed-use scheme (subject to relevant approvals), which is available in the online data room.

Key principles that underpin a potential mixed-use development include:

Flexible zoning:

B3 Commercial Core zoning, permitting a diverse range of uses including hotels, shop top housing, commercial premises and entertainment facilities (STCA).

Multiple access points and frontages:

Multiple access points and street frontages provide the flexibility to accommodate a range of complementary uses and parking configurations.

Exceptional view potential:

Surrounded by coastline, Port Central is ideally positioned to capitalise on panoramic views.

Mature apartment market & increasing density targets:

The Centre is located next to a high-density precinct comprising a number of established and proposed residential apartment developments. The North Coast Regional Plan states a key objective to “enhance the variety of housing options by increasing the number of homes in and around the Port Macquarie city centre”. Port Central is ideally positioned to accommodate increased density.

Major hotel precinct:

Port Macquarie CBD is a major hotel precinct, with approximately 21 hotels, motels and serviced apartment facilities in Port Macquarie East (nearby Port Central)¹. Scope exists to deliver additional high-end accommodation at the heart of the established retail and entertainment precinct.

CBD position suited to commercial and non-retail uses:

More than 6,000 businesses operate within the region and an estimated 17,130 workers in the main trade area¹. Port Central forms a focal point of the CBD and is well positioned for the provision of commercial uses.

Retirement living:

The average age of the MTA is 43.9 years, which is older than the Australian average of 37.9 years¹. The demographic profile of the region suggests that retirement living, aged care and associated services would be well suited at Port Central.

Student accommodation:

The new Charles Sturt University is forecast to attract 5,000 students by 2030. Investment in tertiary education in the region is expected to drive demand for student accommodation options.

¹ LocationIQ

Artists impression of a major mixed-use development at Port Central, which is perfectly positioned to accommodate a range of uses such as high density residential, hotel, commercial and other uses (STCA).



HOTEL

APARTMENTS



SALE PROCESS

Stonebridge invites leading investors and developers to participate in the sale campaign to acquire Port Central Shopping Centre.

The Expression of Interest process will enable the Vendor to identify the preferred party or parties it wishes to negotiate with in relation to the sale of the Property.

All Expressions of Interest, which must be submitted by 4pm (AEST) Wednesday 12th July 2017 are to be in writing and will need to provide the following information:

- Name of interested party together with the principals supporting the interested party;
- The proposed purchase price, together with any conditions of purchase, including internal and external approval processes and timetable to exchange of contract and settlement;
- Details of the purchaser's solicitors; and
- Full details of the interested party's capacity to complete the transaction, including how the purchaser intends to fund the acquisition, its funding sources (where applicable) and track record in completing relevant similar transactions.

In submitting this Expression of Interest, the Prospective Purchaser also acknowledges and agrees that the Vendor specifically reserves the following rights:

- To accept or reject any Expression of Interest in its absolute discretion, including the highest Expression of Interest made and without having to attribute reasons therefore or to be accountable in anyway;
- To extend the closing date for submissions of Expressions of Interest;
- To discuss any matter and to deal with any parties submitting an Expression of Interest at any time before or after the closing date;
- Not to be contractually bound in any way by the submission of an Expression of Interest signed by a Prospective Purchaser; and
- Not to sell the property.

SALE BASIS

Port Central Shopping Centre is offered as either a 100% sale or by way of Joint Venture arrangement (partial sale).

CONTACT DETAILS

STONEBRIDGE

Jonathan Fox
Director
M: +61 402 147 780
jfox@stonebridge.com.au

Philip Gartland
Director
M: +61 403 582 324
pgartland@stonebridge.com.au

Carl Molony
Director
M: +61 2 439 032 028
cmolony@stonebridge.com.au

Lincoln Blackledge
Director
M: +61 408 780 772
lblackledge@stonebridge.com.au

Due Diligence Enquiries

Hamish Cameron
Manager, Analytical Team
M: +61 431 659 851
hcameron@stonebridge.com.au



06 ANNEXURES

TENANCY SCHEDULE AS AT 1 AUGUST 2017

Shop/ Suite	Tenant	Lettable Area	Rental Information								Lease Information					
			Base Rental		Outgoings		Percent Rent	Gross Rental		Promotional	Lease Term	Comm.	Expiry		Next Review	
			m²	\$ pa.	\$/m² pa.	\$ pa.	\$/m² pa.	Year 1 (\$ pa.)	\$ pa.	\$/m² pa.	Costs (\$pa)	(Years)	Date	Date	Opt.	Date
Major Tenants (2)																
M1	Target	7,078	890,000	126	384,940	54	-	1,274,940	180	-	10.0	1-Aug-09	31-Jul-19	2 x 5	1-Aug-19	Formula
M2	Ritchies Supa IGA	2,458	269,640	110	125,638	51	-	395,278	161	-	25.0	30-Nov-95	29-Nov-20	1 x 5	30-Nov-20	Formula
Total/Average Major Tenant/s		9,536	1,159,640	122	510,578	54	-	1,670,218	175	-						
Mini-Major Tenants (1)																
S47	Chemist Warehouse	505	594,469	1,177	89,578	177	-	684,047	1,354	17,834	12.0	1-Oct-07	30-Sep-19		1-Oct-17	5.00%
Total/Average Mini-Major Tenant/s		505	594,469	1,177	89,578	177	-	684,047	1,354	17,834						
Specialty Tenants (52)																
S001	Port Central Newsagency (1)	87	88,500	1,014	15,482	177	18,543	122,525	1,403	4,425	5.0	1-Apr-16	31-Mar-21		1-Apr-18	4.00%
S002	MyHouse	168	173,400	1,030	29,848	177	-	203,248	1,208	5,202	5.0	19-Oct-16	18-Oct-21		19-Oct-17	4.00%
S004	Country Nails	48	65,727	1,358	8,584	177	-	74,311	1,535	2,629	5.0	13-Dec-16	12-Dec-21		13-Dec-17	4.00%
S005	Williams The Shoeman	146	146,232	1,002	25,875	177	-	172,107	1,180	7,312	5.0	1-Mar-14	28-Feb-19		1-Mar-18	4.00%
S007	Sussan	165	170,799	1,035	29,262	177	-	200,062	1,212	5,124	5.0	1-Feb-17	31-Jan-22		1-Feb-18	4.00%
S008	P'Chi	51	86,149	1,679	9,098	177	-	95,247	1,857	4,307	10.8	1-Dec-11	31-Aug-22		1-Dec-17	5.00%
S010	W-Lane	139	163,314	1,177	24,616	177	-	187,930	1,354	8,166	6.0	1-Feb-14	31-Jan-20		1-Feb-18	5.00%
S012	Dotti	104	108,409	1,047	18,355	177	-	126,764	1,225	3,252	3.0	1-Sep-14	31-Aug-17		-	Expiry
S013	Dusk	96	99,438	1,036	17,025	177	-	116,463	1,213	3,978	6.0	27-Oct-12	26-Oct-18		27-Oct-17	4.00%
S014	Noni B	96	92,624	967	16,990	177	-	109,614	1,144	4,631	5.0	11-Aug-16	10-Aug-21		11-Aug-17	CPI+1.5%
S015	Cotton On	147	155,006	1,054	26,088	177	-	181,094	1,231	4,650	0.2	-	Holdover		-	-
S016	Portmans	119	120,666	1,017	21,033	177	-	141,699	1,195	3,620	2.0	28-Nov-15	27-Nov-17		-	Expiry
S017N	Lovisa	42	58,399	1,377	7,520	177	-	65,919	1,555	2,336	6.0	9-Mar-13	8-Mar-19		21-Sep-17	4.00%
S018N	Cotton On Kids	110	116,693	1,061	19,508	177	-	136,202	1,238	3,501	0.2	-	Holdover		-	-
S019	Tarocash	122	128,684	1,059	21,548	177	-	150,232	1,236	6,187	6.0	23-Jul-13	22-Jul-19		23-Jul-18	4.00%
S020	Smiggle	89	86,385	975	15,713	177	-	102,098	1,152	2,592	3.0	23-Nov-16	24-Nov-19		23-Nov-17	4.00%
S022	Connor	96	101,238	1,057	16,990	177	-	118,228	1,234	2,920	7.0	21-Jun-14	20-Jun-21		21-Jun-18	4.00%
S023	Jeanswest	111	121,698	1,097	19,668	177	-	141,366	1,275	4,868	6.0	1-Jan-13	31-Dec-18		1-Jan-18	4.00%
S024	Manning Shoe Store	146	153,587	1,053	25,857	177	-	179,444	1,231	5,200	7.0	1-Jul-13	30-Jun-20		1-Jul-18	4.00%
S025	Lorna Jane	146	168,900	1,157	25,893	177	-	194,793	1,334	8,445	5.0	29-Nov-15	28-Nov-20		29-Nov-17	5.00%
S027	Sportsgirl	125	129,359	1,039	22,080	177	-	151,439	1,216	3,510	5.0	1-Apr-14	31-Mar-19		1-Apr-18	4.00%
S029	Goldmark	40	58,240	1,449	7,129	177	-	65,369	1,626	2,912	5.0	10-Nov-13	9-Nov-18		10-Nov-17	4.00%
S030	Colette	109	128,684	1,186	19,242	177	-	147,927	1,363	6,187	6.0	24-Jul-13	23-Jul-19		24-Jul-18	4.00%
S032	Flight Centre	65	82,958	1,274	11,545	177	-	94,504	1,452	4,148	6.0	27-Oct-11	26-Oct-17		-	Expiry
S034	Strandbags	88	106,580	1,210	15,624	177	-	122,204	1,387	4,263	6.0	1-Nov-16	31-Oct-22		1-Nov-17	4.00%
S036	Just Cuts	50	87,106	1,756	8,796	177	-	95,903	1,934	4,355	10.5	30-Nov-10	31-May-21		30-Nov-17	5.00%
S037	Spendless Shoes	95	105,287	1,112	16,795	177	-	122,082	1,289	3,159	5.0	10-Dec-16	9-Dec-21		10-Dec-17	4.00%
S038	House	174	153,046	882	30,787	177	-	183,834	1,059	6,122	5.0	17-Nov-14	16-Nov-19		17-Nov-17	4.00%
S039	The Hair Hub	70	105,254	1,495	12,485	177	-	117,739	1,672	5,263	5.0	9-Oct-16	8-Oct-21		9-Oct-17	4.50%
S040	Jay Jays	122	123,708	1,014	21,636	177	-	145,344	1,191	3,711	3.0	1-Feb-17	31-Jan-20		1-Feb-18	4.00%

(1) % rent is a forecast as at the end of current lease year and is based on Apr-17 MAT grown at 2.25% per annum.

(2) Rent rebate applies if Tenant Sales are below \$1.1m. Refer lease clause 5.2.

(3) Review capped at 5%

Shop/ Suite	Tenant	Lettable Area	Rental Information								Lease Information					
			Base Rental		Outgoings		Percent Rent	Gross Rental		Promotional	Lease Term	Comm.	Expiry		Next Review	
			m²	\$ pa.	\$/m² pa.	\$ pa.	\$/m² pa.	Year 1 (\$ pa.)	\$ pa.	\$/m² pa.	Costs (\$pa)	(Years)	Date	Date	Opt.	Date
S041	Just Jeans	126	132,342	1,049	22,381	177	-	154,724	1,226	3,970	3.0	30-Nov-14	29-Nov-17	-	Expiry	
S042	Cotton On Body	146	135,152	928	25,822	177	-	160,974	1,106	4,055	6.0	16-Sep-13	15-Sep-19	16-Sep-17	4.00%	
S044	T-Store	115	100,880	880	20,342	177	-	121,222	1,057	4,850	7.0	1-Jul-16	30-Jun-23	1-Jul-18	4.00%	
S045	Michels Patisserie	76	87,739	1,162	13,390	177	-	101,129	1,339	4,387	6.0	1-Dec-12	30-Nov-18	1-Dec-17	4.00%	
S046	Prouds	96	143,853	1,495	17,061	177	-	160,914	1,673	4,160	5.0	1-May-13	30-Apr-18	-	Expiry	
S050	HCF	59	86,909	1,483	10,393	177	-	97,301	1,660	2,483	5.0	7-Apr-13	6-Apr-18	-	Expiry	
S051	Freechoice Tobacconist	51	63,465	1,242	9,062	177	-	72,527	1,419	2,539	5.0	30-Oct-12	29-Oct-17	-	Expiry	
S052/53	Vacant	31	35,348	1,140	-	-	-	35,348	1,140	-	-	-	-	-	-	
S054	Bakers Delight	67	126,352	1,894	11,829	177	-	138,181	2,072	6,318	8.0	1-Dec-11	30-Nov-19	1-Dec-17	5.00%	
S055	Boost Juice	36	72,748	1,999	6,455	177	-	79,203	2,176	3,637	6.0	16-Nov-11	15-Nov-17	-	Expiry	
S056	Vacant	28	39,831	1,423	-	-	-	39,831	1,423	-	-	-	-	-	-	
S057	Bookface Café (1)	15	20,672	1,378	2,660	177	2,890	26,222	1,748	1,034	5.3	12-Dec-14	29-Mar-20	12-Dec-17	5.00%	
S058	Bookface (1)	214	111,395	521	-	-	46,230	157,625	737	-	5.3	28-Nov-14	29-Feb-20	28-Nov-17	3.00%	
F1-F2	Vacant	83	80,990	976	-	-	-	80,990	976	-	-	-	-	-	-	
F3-F4	EB Games (2)	103	103,318	1,003	-	-	-	103,318	1,003	-	5.0	28-Jun-13	27-Jun-18	-	Expiry	
F5	Stormriders	343	166,500	486	60,759	177	-	227,259	663	6,660	7.5	1-Mar-13	31-Aug-20	1-Mar-18	0.00%	
F6-F7	The Coffee Club Port Macquarie	119	187,803	1,578	21,104	177	-	208,907	1,756	9,390	9.0	1-Nov-09	31-Oct-18	1-Nov-17	6.00%	
F8	Pure & Natural (3)	46	98,074	2,118	8,211	177	-	106,285	2,296	4,904	7.0	1-Dec-11	30-Nov-18	1-Dec-17	CPI+1.5%	
F9	Red Rooster	91	100,507	1,104	16,139	177	-	116,646	1,282	4,786	8.0	-	Holdover	-	-	
F10	Vacant	65	52,283	799	-	-	-	52,283	799	-	-	-	-	-	-	
F11	ISPA Kebabs	33	88,725	2,681	5,870	177	-	94,595	2,858	4,436	5.0	1-Mar-16	28-Feb-21	1-Mar-18	5.00%	
F12-F13	Baby Chopsticks	74	96,633	1,309	13,088	177	-	109,721	1,487	4,602	6.8	1-Jul-13	31-Mar-20	1-Jul-18	5.00%	
Total/Average Specialty Tenant/s		5,180	5,617,592	1,084	825,640	159	67,663	6,510,895	1,257	209,183						
Kiosk Tenants (5)																
S059	Sunglass Hut	22	64,768	2,957	3,884	177	-	68,652	3,135	1,943	5.0	5-Jan-17	4-Jan-22	5-Jan-18	3.00%	
S060	Port Central Florist	22	62,908	2,899	3,848	177	-	66,756	3,076	3,145	5.0	15-Apr-17	14-Apr-22	15-Apr-18	5.00%	
S061	Vacant	20	80,000	4,082	-	-	-	80,000	4,082	-	-	-	-	-	-	
K1	Vacant	20	60,000	3,000	-	-	-	60,000	3,000	-	-	-	-	-	-	
K2	Vacant	20	60,000	3,000	-	-	-	60,000	3,000	-	-	-	-	-	-	
Total/Average Kiosk Tenant/s		103	327,676	3,175	7,732	75	-	335,408	3,250	5,088						
ATM Tenants (6)																
ATM1	Redi ATM	1	19,929	19,929	-	-	-	19,929	19,929	-	10.0	1-Dec-10	30-Nov-20	1-Dec-17	4.00%	
ATM2	Redi ATM	1	20,101	20,101	-	-	-	20,101	20,101	-	10.0	1-Nov-11	31-Oct-21	1-Nov-17	5.00%	
ATM3	Banana Coast	1	17,320	17,320	-	-	-	17,320	17,320	-	5.0	15-Nov-12	14-Nov-17	-	Expiry	
ATM5	CBA	1	15,628	15,628	-	-	-	15,628	15,628	-	5.0	10-Jul-14	9-Jul-19	10-Jul-18	5.00%	
ATM6	ANZ	1	13,000	13,000	-	-	-	13,000	13,000	-	3.0	6-Sep-16	5-Sep-19	6-Sep-17	4.00%	
ATM7	Westpac	1	17,625	17,625	-	-	-	17,625	17,625	-	5.0	10-Apr-13	9-Apr-18	-	Expiry	
Total/Average ATM Tenant/s		6	103,603	17,267	-	-	-	103,603	17,267	-						
Total/Average		15,330	7,802,980	509	1,433,529	94	67,663	9,304,172	607	232,106	WALE: 2.3 Years (by Area)					

MAJOR TENANT LEASE SUMMARIES

The following summaries provide a general overview of the Target and Rotchies Supa IGA leases. Interested parties must undertake an independent assessment of the Lease and all other leases and associated documents in the online data room.

Parties	Lessor	Perpetual Trustee Company Limited.		
	Lessee	Target Australia Pty Ltd.		
Lease term & dates	Term	10 years		
	Lease start date	1 August 2009		
	Lease end date	31 July 2019		
Options	Terms	Two further terms of 5 years each.		
Base Rent	Initial base rent	\$890,000 per annum.		
Rent reviews	First Option	1 August 2019: The average of the total amount of Base Rent and Percentage Rent payable in respect of the 5 Lease Years immediately preceding the Payment Adjustment Date.		
Outgoings	Lessee's Contribution	The Lessee shall pay to the Lessor the contribution towards Variable Outgoings. (Clause 4.5).		
		In relation to Statutory Outgoings (ie Rates and Taxes) the Lessee will pay its proportion for each Outgoings Year.		
		In relation to Non-Statutory Outgoings (being all Variable Outgoings other than Statutory Outgoings) the Lessee will pay the lesser of the Non-Statutory Outgoings paid in the previous year:		
		- varied by CPI (All Groups) Brisbane; - increased by 5%; or - varied by the actual variation in Non-Statutory Outgoings (Appendix 4).		
	Variable Outgoings	(a) Rates and Taxes (d) Common Area Cleaning and Lighting (g) Toilet Requisites	(b) Common Area Air Conditioning (e) External Maintenance of Buildings (h) Waste Disposal (Appendix 4).	(c) Landscaping Maintenance (f) Common Area Electricity Charges
	After Hours Trading	In the event of the Lessee opening outside normal business hours the Lessee shall pay to the Lessor all costs and expenses of every kind properly incurred by the Lessor in relation to the Lessee so opening (Clause 9.23).		
Percentage Rent	Formula	2% of the amount by which the Lessee's Gross Sales for each Lease Year exceed the Threshold Amount of \$23,500,000 MINUS the difference between the current Minimum Rent and the Minimum Rent payable at the commencement of the lease. (Appendix 3, Clause 3).		

Parties	Lessor	Perpetual Trustee Company Limited.
	Lessee	Ritchies Stores Proprietary Limited.
Lease term & dates	Term	25 years
	Lease start date	30 November 1995
	Lease end date	29 November 2020
Options	Terms	One further term of 5 years for Ritchies Supa IGA.
Base Rent	Initial base rent	\$269,640 per annum.
Rent reviews	Option	30 November 2020 The average of the base rent and percentage rent paid in Years 24 and 25.
Outgoings	Lessee's Contribution	The Lessee must pay its Contribution to the Centre Expenses and Outgoings of the Centre (Clause 5.1). At lease commencement the Lessee's Contribution was \$76,398.00 per annum (Item 9). The contribution is increased each year by the percentage increase in the Sydney (All Groups) CPI, subject to a maximum annual increase of 5% (Clause 5).
	After Hours Trading	If the Lessee opens for business during any Additional Hours then the Additional Expenses incurred by the Lessor in facilitating this additional trading shall be apportioned amongst the Lessee and any other lessees of the Centre so trading (Clause 6.18). "Additional Expenses" means those costs and expenses incurred by the Lessor in respect of the Centre for: (a) the cleaning of the Common Areas; (b) the electricity, gas and oil consumed in the Common Areas; (c) the provision of security and/or care-taking services; (d) that proportion of the cost of operating the air conditioning equipment servicing the Common Areas (Clause 30.1.1).
Percentage Rent	Formula	1.5% of sales up to \$25,000,000 and 1.25% of sales above \$25,000,000 minus the Base Rent minus the Contribution (to Centre Expenses and Outgoings)
Security	Guarantor	Metcash Limited.





Disclaimer

This document has been prepared by Stonebridge Property Group for the purpose of providing information to potential purchasers. It is provided on a strictly confidential basis and is not to be distributed or reproduced in whole or in part without the prior written consent of Stonebridge Property Group.

Stonebridge Property Group and its clients assume that any person who reads or uses this document is capable of evaluating the merits and risks of any investment or other decision with respect to a property transaction, its sustainability and its financial, taxation, accounting and legal implications without any reliance on this document. Any potential purchaser or any other interest party should make their own independent investigations and analysis of the property and obtain independent financial, taxation, accounting, legal and other advice to assist them in making their own decisions and assessment appropriate to their circumstances.

This document does not purport to contain all the information that a potential purchaser or any other interested party may require. It is intended to be used as a guide only and does not constitute advice, including without limitation, investment or any other type of advice. The information contained in this document does not constitute any invitation, tax or legal offer or contract, including for sale or otherwise. It does not take into account the individual circumstances, financial situation, investment objectives or requirements of a potential purchaser or any other person.

This document may contain information prepared by third parties. Figures, calculations and other information contained in this document that has been provided to Stonebridge Property Group by third parties have not been independently verified by Stonebridge Property Group. Any projections or analysis represent estimates only and may be based on assumptions which, while reasonable, may not be correct and are not representations of future matters. Actual results may vary from projected results and variations may be material.

Users should not rely on any information contained in this document as a statement or representation of fact and must make their own enquiries to verify and satisfy themselves of all aspects of such information including without limitation, any income, rentals, dimensions, areas, zoning and permits. While the information in this document has been prepared in good faith and with due care, no representations or warranties are made (express or implied) as to the accuracy, currency, completeness, suitability or otherwise of such information.

The vendor, Stonebridge Property Group and its clients, officers, employees, sub-contractors and agents shall not be liable (except to the extent that liability under statute or by operation of law cannot be excluded) to any person for any loss, liability, damage, or expense arising directly or indirectly from or connected in any way with any use or reliance on such information. Neither the vendor nor Stonebridge Property Group accept responsibility for any loss or damage howsoever occurring resulting from the use or reliance on the information by any person.



ST[^]NEBRIDGE