

Lester swoops on WA in \$20.5m deal



Lester Group has bought and syndicated a Forrestfield logistics facility at 3-5 Ashby Close.

■ Helen Shield

WA-based property syndicator and developer Lester Group has made a triumphant return to its home State with its first WA-based investment in five years, paying Vikas Rambal's Perdaman Industrial Properties \$20.5 million for a Forrestfield property.

The move marked a significant shift for Lester Group, which was now selling lower yielding assets in Melbourne and Sydney and recycling the cash into higher yielding WA opportunities, Lester Group executive director Russell Lester said.

The property, at 7 Ashby Close is leased to ASCO Transport and Logistics Pty Ltd, a wholly owned subsidiary of ASCO Holdings, until 2024. It has another eight-year option and the annual rent of almost \$1.5 million is subject to an annual rent rise of CPI plus one per cent over the eight-year term of the syndicate.

The 8585sqm warehouse-



The warehouse at Forrestfield.

workshop, built five years ago, has a truss height of 7.85m to 10m, 2000sqm all-weather canopies, a 150sqm, heavy vehicle wash bay, 11,000sqm secure hard stand and 671sqm office over two levels on a 32,100sqm site.

The Lester Group was promising syndicate investors a 7.8 per cent annual cash return over the eight-year term as well as capital growth.

The pitch proved extremely attractive, with the \$11 million syndicate share raised from investors in just four days, Mr Lester said. "The property was an excellent opportunity to acquire an A-grade property

with a secure tenant," he said.

Mr Lester said the group had been keeping a watching brief on WA over the past couple of years and was now "recycling" relatively lower yielding assets in Sydney and Melbourne, where similar assets are on a sub-6 per cent yield, for higher west coast returns.

He said the Ashby Close property was in a prime location with secure income and the timing, with "emerging green shoots and growing business sentiment in the WA economy", was excellent.

"Right now the west coast appears to offer some prime opportunities vindicated by the recent activity in the property market," Mr Lester said. "It's just finding quality property at the right price. We are chasing opportunities in the west as there's so little value in the east, we are spending all of our time looking locally."

Lester Group has commercial, industrial and residential assets in its \$180 million property and development portfolio.