

Lester Group moves into Bagot Road

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CATHY SAUNDERS

A three-level office building on the high-exposure corner of Bagot Road and Thomas Street in Subiaco has been snapped up by a subsidiary of the Lester Group for \$8.5 million.

Lester Property Investments bought the 2141sqm building at 2 Bagot Road, which is fully leased to international infrastructure services consultancy, Cardno Ltd.

LPI managing director Blair Gerrard said the appeal of the property, on a 1604sqm site, lay in its prime location and the potential to value-add. "We believe we're buying at a reasonable time in the cycle and there is considerable potential to add value by improving the asset-grade through refurbishment," he said.

Lester Group chairman, Dick



Tenant: Infrastructure consultancy Cardno leases the Bagot Road property.

Lester, said the purchase used a property-trust-like structure, letting him to return to his first love.

In the 1980s, he established Growth Equities Mutual and built it into one of the biggest unlisted property trusts in Australia.

He said the same principles applied to the syndicate-style financial structure for the Bagot Road purchase, which LPI planned to use as its business model.

"As in the case of GEM, we have offered investors the opportunity to secure a share of a landmark commercial property, with good ongoing returns from professional management and a capital return at the end of the 10-year life of the trust," he said.

Mr Lester said the group had demonstrated its confidence in the 2 Bagot Road Unit Trust by subscribing 20 per cent of the units.