

**\$19.1M BELMONT PURCHASE**

# Lester Group closes books on latest buy

Leading WA investor and developer Lester Group has closed the books on its latest property syndicate more than a month ahead of schedule, sewing up the purchase of a prime commercial office building in Belmont for \$19.1 million.

The property at 181 Great Eastern Highway comprises two titles and includes a 4000sqm-plus office building, which is leased to ASX-listed mining and engineering services company NRW Holdings Ltd through to 2018 with a further five-year option.

The building was sold by Stockland Direct Office Trust No. 3 and marks the Lester Group's second purchase in the fast-growing Belmont area in the past 12 months and its fourth successful syndicate in two years.

Outside of its syndication activities, Lester Group holds a diverse portfolio of investment and development properties valued at more than \$100 million.

Lester Group director Russell Lester said the response by investors to the 181 Great Eastern Highway syndicate had been strong from the opening of the offer.

"Belmont is an area we have identified as one that offers considerable opportunity — it's undergoing a transition to a precinct offering high quality suburban office space as well as light industrial use, and it's strategically located between the CBD, the airport and Perth's established industrial areas," he said.

"The ability to secure quality office space and amenities with better parking ratios at lower rents means we're seeing an increasing number of mining and industrial services companies making the shift to Belmont



**Strategic: 181 Great Eastern Highway, Belmont**



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**Lester Group director Russell Lester**

from the CBD and West Perth.

"NRW Holdings is a great example of the kind of quality tenant finding a home in Belmont, and an opportunity underpinned by such a strong lease covenant in this area was taken up very strongly by investors."

The total land area over the two titles is 10,702sqm, with significant future development potential. While the title fronting Great Eastern Highway is home to a

modern, three-level office building, which has been recently refurbished, and 109 car bays, the second title fronting Cleaver Terrace is undeveloped save for 126 secure car bays.

The 60-day offer was fully subscribed in just 21 days and the Lester Group said investors would receive a 9.5 per cent plus income yield in the first year.

The Lester Group invested \$1.4 million in the syndicate, which will be wound up in 2019.

Lester Group is also preparing to announce its first interstate syndication deal, with the company completing the first stage of due diligence on a \$22 million asset in St Kilda Road, Melbourne.

The eight-level property, offering 7102sqm of quality office space, is anchored by secure leases to blue chip corporates Target and Wesfarmers. Lester Group has already raised more than half of the \$16 million required to secure the property.