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Lester goes shopping after successful equity raising

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by Nelson Yap

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WESTERN Australia developer Lester Group has snapped up two industrial properties for \$19.15 million following a successful capital raising, which was oversubscribed.

The first property, located at 883 Abernethy Road, Forrestfield, is a transport and logistics depot and warehouse facility fully leased to a subsidiary of ASX listed Boart Longyear Limited for five years.

The property comprises 813.4 sqm of office space, 5224.8 sqm of high truss warehouse/workshop with gantry cranes and 5,613.1 sqm of bitumen secure hardstand on a 18,087 sqm site.

Knight Frank's Sam Hammond handled the transaction.

The second property, located at 2 Discovery Drive, Bibra Lake, is a purpose-built, temperature controlled storage and distribution facility leased to Top Cut Foods Pty Ltd.

Set on a 6,425 sqm site, it is improved by a 532 sqm of office space over two levels, 1,681 sqm of high truss, cold store/food preparation areas and 2,400 sqm of concrete, secure hardstand.

Colliers' Adrian Balderston and Greg O'Meara acted as the agents.

Lester's director Russell Lester said he was delighted to acquire these two properties and offer them in a new syndicated industrial fund.

Lester has diverse property and development portfolio with a total value in excess of \$200 million.

"The capital raising was quickly oversubscribed by more than \$2 million, demonstrating a strong appetite by our investors for such an opportunity. Investors are set to earn a 7.8% average annual cash return over the six-year investment term – in addition to capital growth.

"These properties stood out to us because of their prime location, security of income, and the emerging green shoots and growing business sentiment in the WA economy," he added.

Lester said the group would continue to monitor the property market on the east and west coasts for the next opportunity.

"We actively look for assets across Australia, seeking the best value, and building a diversified property portfolio to protect and grow value in all economic environments. Right now, the west coast appears to offer some prime opportunities. We are currently dealing on another acquisition which offers the highest return with lowest risk of anything I have seen lately."

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