

Quanta Invest snaps up rare inner city opportunity in the inner west



Quanta Invest has paid \$21m for the two buildings at 23 Graham St, Milton, which is the local headquarters of ADCO Constructions.

Leaseback seals deal

Chris Herde

The local head office of one of Australia's largest privately-owned construction companies in Brisbane's inner west has been snapped up by a fund manager with a leaseback deal in place.

Quanta Invest paid \$21m for the two buildings at 23 Graham St, Milton, in a deal struck by Knight Frank's Christian Sandstrom and Blake Goddard on behalf of RJH Holdings which owns ADCO

Constructions. RJH Holdings has owned the property for about 22 years, with the buildings used as a head office for ADCO's Queensland branch and the sale included a four-year lease back.

Quanta founding director Stacey Jones said the purchase launches the Quanta Graham Street Office Trust and she is anticipating both strong rental growth and capital value uplift over the long term.

"We have every assurance in what this asset will deliver,

backed by a strong investment forecast – an anticipated five-year investment horizon with a net distribution of 8.25 per cent per annum in year one, rising to 9.25 per cent by year five, paid monthly," she said.

"The property was also secured well above average CBD purchase yields at 8.59 per cent, with long-term upside further underpinned by strong tenant covenants and the location offering long-term redevelopment potential."

The buildings have a total

net lettable area of 3505 sqm, with 73 car parks on a combined site area of 3743 sqm.

Mr Sandstrom said the expressions of interest campaign for the property attracted significant interest including from high-net-worth individuals, syndicators and partial owner-occupiers.

"This was a rare offering of dual buildings on one title, which provided buyers with flexibility and strategic benefits," he said.

"With a leaseback in place

the buyer will have secure income over the medium term, but 23 Graham St's unique U-shaped configuration of the buildings offers a multitude of options, including the potential to divest one building in the future and keep the other.

"It also offers extensive usable land for future development, with the zoning allowing up to eight storeys."

Mr Goddard said the location was a significant drawcard, being in the Brisbane fringe suburb of Milton.

Another pub for Redcape

Pub giant Redcape, which has spent more than \$250m on hotels in the past 12 months, has added another landmark to its growing portfolio.

The \$1.5bn MA Redcape Hotel Fund, which is managed and operated by MA Financial Group, has acquired the leasehold of Plough Inn in South Brisbane for about \$40m.

Located in the heart of South Bank, heritage-listed Plough Inn's history goes back to the 1860s. It is currently operated by the Kickon Group.

Redcape Hospitality managing director Chris Unger said the Plough Inn was an iconic pub in one of Brisbane's busiest precincts.

"It's proven over a long period of time to be consistently successful and busy year-round," he said.

"This makes it very attractive and an ideal addition to the portfolio, and we can't wait to work with the team there to build on that success.

"Pubs remain a standout investment class. The demand for affordable hospitality and community connection is as strong as ever. Venues like the Plough are evidence of this dynamic."

The transaction was managed by JLL Hotels & Hospitality Group Tom Gleeson and Savills' Leon Alaban and Joseph Ganim.

Redcape's last purchase in South East Queensland was the Orion Hotel in Springfield for \$30m, and it also acquired the Maeva Hospitality Hotel Group and its four large-format Sunshine Coast hotels for about \$80m.

Other pubs it has purchased include the Prince Consort in Fortitude Valley and Saltwater Creek Hotel on the Gold Coast.

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10-16 Logan Road, Woolloongabba QLD

- Iconic heritage landmark spanning 1679sqm* of NLA
- Substantial income profile across both buildings
- High exposure 731sqm* site with outstanding surrounding amenity
- Strong, diversified tenant mix headlined by award-winning restaurant '1889 Enoteca'

*Approximately

