

ASSET MANAGEMENT CASE STUDY

CALOUNDRA MARKETPLACE
CALOUNDRA



ASSET SNAPSHOT

Address	1 Ormuz Street, Caloundra, Qld
Owner	Marquette Investment Managers ATF for Caloundra Village Trust
Investors	Private Capital
Purchase Value	\$18.0m
Purchase Yield	7.05%
Capital Value	\$5,950/sqm
WALE	8.5 years
NLA	3,006sqm
Land Area	7,764sqm

MARQUETTE SCOPE

- ▶ Deal Origination
- ▶ Capital Raising
- ▶ Asset Management
- ▶ Debt Arrangement
- ▶ Investment Management



PROJECT DESCRIPTION

Marquette acquired an existing 3,006sqm Convenience Centre and secured the extended commitment of the anchor tenant, IGA, during due diligence. IGA agreed to a new 15-year term which grew the WALE to 8.5 years and added significant value. The asset has 13 ground floor retail specialty tenancies with a very traditional mix that includes national tenants such as Australia Post, Flight Centre, BWS and Direct Chemist Warehouse and strong local businesses in the fields of fruit and vegetables, butchery, florist, hairdresser and bakery.

The investment rationale was underpinned by the following:

- ▶ Strong yield – post acquisition costs and refurbishment the year 1 distributions are more than 8.0%.
- ▶ Location – Caloundra is a growth area and well-known tourism and residential area. The asset sits in the CBD of Caloundra with good access and exposure.
- ▶ Mismanaged – the asset has the ability to drive income through remixing, improve functionality such as the carpark, and better promotion of the asset.
- ▶ High Occupancy – the specialty mix is long established and has weathered the GFC and hard times on the Sunshine Coast as well as the opening of Aldi and Woolworths nearby in rent years.
- ▶ Strong IGA Operator – Prince IGA have 8 stores in the SEQ and are strong performers.
- ▶ Appearance & Functionality – The asset has been well maintained and has ‘good bones’, but with a cosmetic refurbishment with a strong focus on signage the asset will trade better, operate better and look better.
- ▶ WALE – Via the new IGA lease we were able to extend the WALE to 8.5 years with the potential of growing it when remixing the speciality stores post a refurbishment.
- ▶ Value Buying - Based on evidence, the purchase represented very good value and was supported by a valuation more than 6.5% above purchase price.
- ▶ Suitability - The asset is well suited to Marquette’s experience and skills set.

The asset was acquired by Marquette Investment Managers (AFSL 398526) and is owned by a syndicate of private investors.