



INVESTOR CONFIDENCE: The Rivers site in High Street, Maitland, has sold at auction to a Sydney-based investor for \$1.355 million.

## Investor confidence seen in growth area

**P**eter Sarroff from Tony Cant Real Estate and Burgess Rawson has sold the Rivers Leased investment under the hammer for \$1.355 million.

Known as 194a High Street Maitland, it is leased to Rivers on a five year x five year contract at a present rental of \$115,341 net per annum.

The property has a land area of 2503sqm and a building area of 902sqm.

Competitive bidding saw the price quickly move from an opening bid of \$1.1 million to the sale price of \$1.355 million at the August auction.

The site is a high profile, well-leased investment and it gained strong inquiry from across the State including one investor from

Western Australia, Mr Sarroff told the *Mercury* yesterday.

The new buyer is a Sydney-based investor.

"Our industrial investment market has been strong over the past three to four months," Mr Sarroff said.

"During that period we have sold \$13-\$14million worth of industrial and commercial buildings in the Hunter region."

And while construction in industrial and commercial markets in Sydney has been reported as falling, the situation between the Hunter and Sydney is quite different, Mr Sarroff said.

While the financial crisis brought institutional investment to a halt in the metropolitan areas last year, private investors,

syndicates and owner-occupiers appear to have returned to the market, lured by a significant repricing of industrial assets, which have fallen in value by an average of 21.1 per cent.

The CB Richard Ellis report Industrial MarketView noted a significant fall in new industrial construction in Sydney as a result of funding constraints and a decline in speculative development.

Mr Sarroff said that while there were not a lot of people building on speculation in the Maitland region, there was a lot of growth with local, Sydney and interstate investors all looking to buy good, long-term lease investment properties.

"Our market here is a lot differ-

ent because we are a major growth area," Mr Sarroff said.

"We have a lot of things happening in the coal industry and manufacture.

"We have had a lot of work in Thornton, Rutherford and the new one at Anambah Estate, and there is also the private development of the Officeworks complex.

"There is no doubt the financing of developments has changed over the past month.

"There have been a number of sales in the Hunter Land developed Anambah estate, so companies are looking to relocate here and set up business.

"Around the Sydney region there is not a lot of activity in the top end of the market.

"A lot of the organisations setting up shop here are doing so because it's a major growth area and then there is the multiplier effect so other companies that do offside work like welding and spray painting will set up too.

CBRE regional director for industrial and logistics services Joshua Charles said the rebound in sentiment and the recent stabilisation of yields marked a turning point for the industrial market, which appeared to be the most stable commercial property sector.

Mr Charles said investment demand for industrial property was likely to strengthen over the short term as counter-cyclical investors looked to buy near the bottom of the market.