

Information Memorandum



Gritti Palace

66 Gawler Place

Adelaide

EXECUTIVE SUMMARY

Sale Particulars

Blackmore Property are pleased to offer For Sale, "Gritti Palace" being 66 Gawler Place, Adelaide, on behalf of the registered proprietors, Hedgehog Corporation Pty Ltd

Property

Location

The property comprises a Five level building within Adelaide's premiere retail precinct, Rundle Mall. The property is located midway between Grenfell Street and Rundle Mall, while the newly renovated and expanded City Cross Retail Centre is directly opposite which accommodates Harvey Norman, Amart, and other fashion. Laubman & Pank Optometrist is located on the Northern side of the property while various blue-chip retailers adjoin the Southern boundary.

Description

Superbly positioned retail investment comprising a five storey building of a gross area of approximately 638m² (level 3 Vacant).

Land

The total site area is approximately 209 square metres and is contained within the following Certificates of Title as follows:-

- Register Book Volume 5739 Folio 277
- Register Book Volume 5739 Folio 276

Zoning

City of Adelaide, zoned Eastern & Western Core Policy Area 15.



LEASE SUMMARY

The property is being offered for sale with three leases to the favour of:

Lease 1

Saloon Pty Ltd trading as "Gritti Palace"

- Basement, Ground
- 10 years, commencing 25th May 2007
- Option of furthur 5 years with annual rental reviews fixed at 4%

Lease 2

Christine Falk trading as "Universal Body Day Spa and Holistic Centre"

- Level 1
- Five years, commencing 25th May 2007
- Option of furthur 5 years with annual renta reviews fixed at 4% with Market review at end of term

Lease 3

Saloon Pty Ltd trading as "Gritti Palace"

- Level 2
- Five years, commencing 25th May 2007 with annual rent review fixed at 4% with market review at end of term

Personal Guarantees provided for all leases

Estimated Net Income

\$134 315.00 net income per annum excl GST

Sale Process

The property is offered for sale by way of Public Auction to be held on-site on Thursday the 20th March 2008 at 11.30am (unless sold prior) inspection from 11am.



INTRODUCTION

The property at 66 Gawler Place, Adelaide provides an opportunity for astute purchasers to obtain an outstanding CBD holding located in the tightly held and most sought after Gawler place precinct adjacent to Rundle Mall.

This information memorandum has been prepared to provide the user information pertaining to the property and is a guide only. It is not a valuation or contract to purchase. The vendor and its agents refer you to the disclaimer on page 21.

The property has a quality well established tenant in Gritti Palace who are to embark on an extensive refurbishment and fit out to the premises which significantly underpins the confidence in the premises and the locality. Coinciding with refurbishments, Gritti Palace have commenced a new lease term for a portion of the premises commencing 25th May 2007 for ten years. Furthermore the continued redevelopment of adjacent and nearby retail facilities including Youth Works, City Cross complex and the former X-Lotto building ensures the continued growth and sought after nature of this premier retail precinct.

The property is a prime investment offering further income growth to be enjoyed with the utilization of the upper levels, specifically Level three for the purposes of either residential or commercial usage (subject to necessary consents). Plans are available upon request.

Amongst other things the subject offers the following features:-

- Landmark & prime CBD multi-level holding
- Superbly located metres from Rundle Mall and Grenfell Street
- Two well established tenants with guarantees
- Solid rental growth with fixed rental increases
- Long term secure leases
- Tenancy to undergo refit and refurbishment to ground floor space
- Potential to develop upper floors for further income or capital growth
- Opposite new City Cross development
- Positive capital growth and positive rental returns

Blackmore Property highly recommends this outstanding opportunity.

Method of Sale

The property is for sale by way of Public Auction to be held on-site on Thursday the 20th March 2008 at 11.30am (Unless sold prior).

Full lease documentation along with statutory searches are available upon request

For further information and inspection arrangements please contact the sole selling agents Blackmore Property:-

Mark Evans

Office 61 8 8410 4777

Facsimile 61 8 8410 7399

Mobile 0407 614 306

mark@blackmoreproperty.com.au

Location

Arguably the busiest retail precinct in Australia with over 46,636,623 pedestrians coming into the Mall in the year ending March 2006 (sourced from Adelaide City Council March 2006)

The Mall and surrounding area was created in 1976 as a pedestrian shopping Mall and now sits as one of the most concentrated shopping precincts in the Southern hemisphere, with over 630 retailers and 210 non-retailers in the location, occupying over 220,000 square metres with an annualized turnover of over \$800 million.

Major stores in Rundle Mall include the new Adelaide Central Plaza complex, the Myer centre, significantly opposite the offering, the new City Cross shopping complex which accommodates the likes of Radio Rentals, Harvey Norman and Spotlight. Retailers in the immediate locality of the subject include Allans Music, Colorado and National Pharmacies.

66 Gawler Place is situated in what is arguably considered the most prime focal point of the strip with the greatest flow of pedestrian traffic. The property is located some 30 metres south of the Gawler Place and Rundle Mall intersection which is known as the focal point of the Mall.

In all, the locality is prime and represents the most highly prized location in Gawler Place.



Title Particulars

The land is contained and described in Certificates of Title as follows:-

- Volume 5739 Folio 277 – being allotment 127 within Filed Plan 181779 being in area named Adelaide in the Hundred of Adelaide.
- Volume 5739 Folio 276 – being allotment 128 within Filed Plan 181780 being in the area named Adelaide in the Hundred of Adelaide.

The leases are unregistered.

A right of way exists over the rear lane being Francis Street; A light and air easement exists over part of the land. Party wall rights are in place on both boundaries.

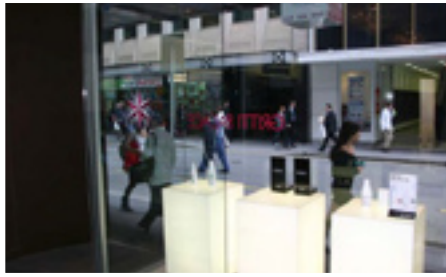
A copy of titles is attached to this report.

Site Particulars

The property is rectangular in shape with frontage an 7.5m approximately onto Gawler Place with an overall depth of 32m approximately and rear boundary of 6.2 metres approximately to Francis Street.

Rear access is provided off Francis Street.

The total site area is estimated to be approximately 209 square metres over two titles.



Town Planning

The land is within the City of Adelaide Council and is within Central and Western Core Policy Area 15 Zone.

The broad focus of this zone are as follows:-

- Development that strengthens, achieves and is consistent with the area
- To accommodate a diverse mix of commercial activities, shops, leisure, residential and entertainment facilities
- A combination of both new and older buildings respectfully scaled and sited and with sympathetic treatment of facades
- High accessibility of vehicles, pedestrians and public transport
- Attractive streetscapes achieved through the addition of street trees and furniture
- The maximum building height is 53 metres (subject to exceptions)

The City of Adelaide has listed the subject as a Local Heritage Place (Townscape).



IMPROVEMENTS

Building

This landmark building (constructed circa 1940s) comprises a five storey masonry structure utilising the basement for storage/meeting area, the ground for prime retail space, first level for consulting/professional rooms, the second for studio and storage space and the third level available for office/studio space or residential accommodation (subject to necessary consents and approvals. The gross lettable area is 638 square metres approximately.

The impressive heritage facade enjoys outstanding presence in Gawler Place precinct with its height a standout feature and distinct art décor facade.

The ground floor tenant intends to commit to an exciting extensive refurbishment to the ground level.

Access to all upper levels is provided off Francis Street by way of external stairwell, while an internal stairwell is provided for access to basement, ground and level 1 at front of ground floor tenancy

Buildings services include central air conditioning system for basement, ground, and first. Ceiling and mounted sprinklers, fire hose reels, fire escape stairwell, smoke detectors and emergency lighting are provided in the occupied areas.

The presentation of the premises is excellent.

Building Areas

The improvements in gross Lettable area are estimated as follows:-

• Basement	43 square metres
• Ground Level	175 square metres
• First Level	136 square metres
• Second Level	142 square metres
• Third Level	142 square metres
Total estimated area	638 square metres

Please note these areas are approximate only and have not been formally surveyed.



Floor plans are not to scale

THE TENANCY MIX

The property is leased to two quality well established tenants:

Saloon Pty Ltd trading at Gritti Palace

Gritti Palace occupies basement, ground and Level 2 Gritti Palace has been established for over 14 years in the Gawler Place precinct and relocated to the subject property in early 2000. Gritti Palace is an award winning premier hairdressing salon that is the envy of the hairdressing industry. The salon has enjoyed significant growth in turnover over the preceding three years and will continue in the future with planned refurbishment and refit in mid 2008 to the ground level retail tenancy.

Universal Body Day Spa & Holistic Centre

Universal Body Day Spa & Holistic Centre is a high quality day spa and beauty centre occupying the 1st level. The business is owned and operated by an experienced qualified beautician in Christine Falk who has operated the business in the current premises over the last two years. Universal Body Day Spa enjoys a successful relationship with Gritti Palace which creates a "one stop shop" for clients. The fit out is superb with generous sized cubicles, amenities and waiting areas. Access is provided through an internal stairwell and through rear stairwell access from Francis Street.

FINANCIAL ANALYSIS

Estimated Net income for the year ended 30 June 2007:

Income

Basement & Gound Levels	\$ 105,000
First Level	\$ 20,000
Second level	\$ 20,000
Total Gross Rental	\$ 145,000

Less Estimated Outgoings

The estimated outgoings for the subject for the year ended 30 June 2008 are as follows:-

Council Rates	\$ 18235.00
SA Water Rates	\$ 3553.05
Emergency Services Levy	\$ 1248.45
Land Tax (Single Holding)	\$ 4925.00

Estimated outgoings 2005/20006 \$27961.50

Plus Recovered Outgoings

Council Rates	\$ 13676.25
SA Water	\$ 2664.78
Emergency Services Levy	\$ 936.35

Estimated Recoverable Outgoings \$ 17277.38

**Estimated Net Income \$134 315.88
(ex GST)**

Next rental review is to be on the 25th May 2008

All operating expenses are paid directly by lessee including, but not limited to Insurance, Cleaning, Electricity, Security, promotions, levies, and maintenance Memorandum of lease for both tenancies are available upon request

INVESTMENT ASPECTS

66 Gawler Place, Adelaide offers an opportunity to purchase an outstanding investment with further development growth potential in close proximity to Adelaide's premier retail precinct.

The South Australian economy is performing strongly with continued business confidence stemming from the advent of the mining boom that will ensure solid retail trade to continue therefore enhancing future capital and rental growth.

Key Investment Considerations are as follows:-

- Superior CBD retail/commercial location
- Tenants' confidence in subject (sitting tenant in occupation for over 7 years)
- Well established tenant
- Long term secure lease with fixed rental reviews
- Significant imputed rental and development aspects (subject to consents) for upper level (Plans available)
- Adjacent developments
- Solid cash flow asset
- Personal Guarantees provided by Directors



Note

Blackmore Property are also offering for sale two adjacent properties being:

1. "Allans Music" and "Nest" 58-60 Gawler Place, Adelaide
2. "Laubman and Pank" 62-64 Gawler Place, Adelaide

Further information available upon request.

DEVELOPMENT ASPECTS

The offering allows for further income to be generated with the utilization of vacant level being, level three, while not interrupting the existing tenancy arrangements due to access provided off Francis Street external stairwell. Potential uses include studio, office or student/residential accommodation (subject to necessary consents and approvals). Such development and utilization of current vacant space will add significantly to the net income and end capital value of 66 Gawler Place, Adelaide. Plans are available upon request.

The vacant space comprises 142m² approximately.



Title Register Search

LANDS TITLES OFFICE, ADELAIDE

For a Certificate of Title issued pursuant to the Real Property Act 1886

REGISTER SEARCH OF CERTIFICATE OF TITLE * VOLUME 5739 FOLIO 276 *

COST : \$16.10 (GST exempt) PARENT TITLE : CT 3108/124
REGION : GROUND FLOOR, L.T.O. - LGHP12 AUTHORITY : CONVERTED TITLE
AGENT : S90C BOX NO : 000 DATE OF ISSUE : 29/02/2000
SEARCHED ON : 19/02/2007 AT : 15:48:02 EDITION : 6

REGISTERED PROPRIETOR IN FEE SIMPLE

HEDGEHOG CORPORATION PTY. LTD. OF C/- LEVEL 3/97 PIRIE STREET ADELAIDE SA
5000

DESCRIPTION OF LAND

ALLOTMENT 128 FILED PLAN 181780
IN THE AREA NAMED ADELAIDE
HUNDRED OF ADELAIDE

EASEMENTS

SUBJECT TO THE EASEMENT FOR LIGHT AND AIR OVER THE LAND MARKED C (GRO
NO.74 BOOK 501)

SUBJECT TO THE EASEMENT OVER THE LAND MARKED C TO THE ETSA CORPORATION (T
2376659)

SUBJECT TO EASEMENTS OVER THE LAND MARKED C (GRO NO.74 BOOK 501)

SUBJECT TO PARTY WALL RIGHTS OVER THE LAND MARKED A (T 1088694)

SUBJECT TO A RIGHT OF WAY OVER THE LAND MARKED C (GRO NO.74 BOOK 501)

SUBJECT TO FREE AND UNRESTRICTED RIGHTS OF WAY OVER THE LAND MARKED C

TOGETHER WITH PARTY WALL RIGHTS OVER THE LAND MARKED B (T 1088694)

TOGETHER WITH A FREE AND UNRESTRICTED RIGHT OF WAY OVER THE LAND MARKED D

SCHEDULE OF ENDORSEMENTS

10380228 MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA

10587570 MORTGAGE TO ASSIST FINANCE CORPORATION PTY. LTD.

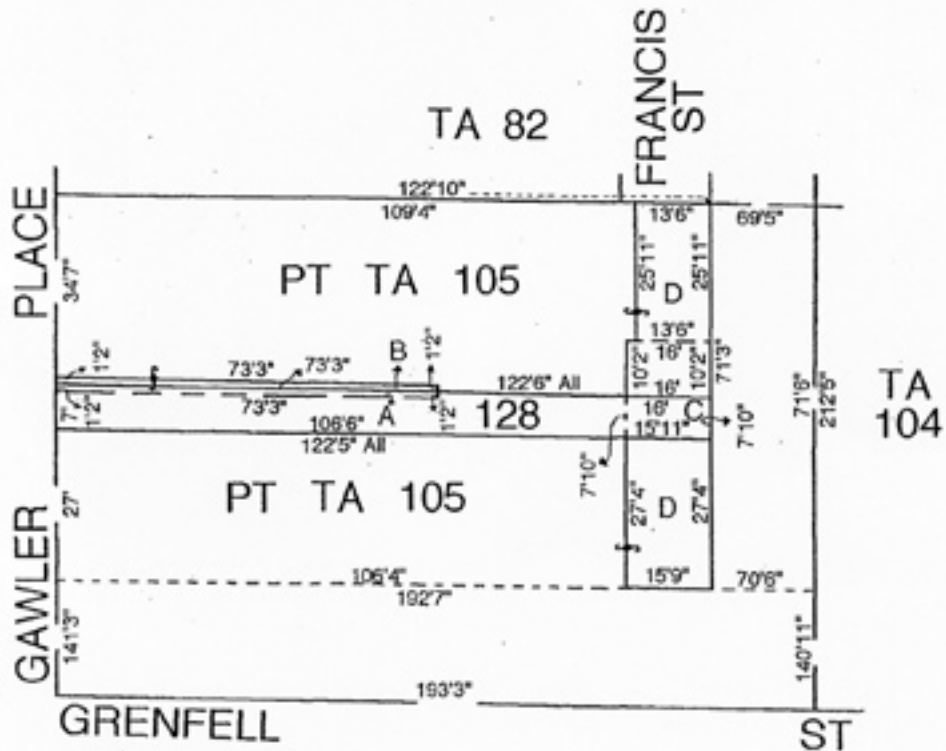
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LANDS TITLES OFFICE ADELAIDE SOUTH AUSTRALIA

DIAGRAM FOR CERTIFICATE OF TITLE VOLUME 5739 FOLIO 276

SEARCH DATE : 19/02/2007 TIME: 15:48:02

THIS PLAN IS SCANNED FOR CERTIFICATE OF TITLE 3108/124
SEE TITLE TEXT FOR EASEMENT DETAILS



DISTANCES ARE IN FEET AND INCHES
FOR METRIC CONVERSION
1 FOOT = 0.3048 METRES
1 INCH = 0.0254 METRES

NOTE: SUBJECT TO ALL LAWFULLY EXISTING PLANS OF DIVISION



Title Register Search

LANDS TITLES OFFICE, ADELAIDE

For a Certificate of Title issued pursuant to the Real Property Act 1886

REGISTER SEARCH OF CERTIFICATE OF TITLE * VOLUME 5739 FOLIO 276 *

REGION : GROUND FLOOR, L.T.O. - LGHP12	PARENT TITLE : CT 3108/124
AGENT : S90C BOX NO : 000	AUTHORITY : CONVERTED TITLE
SEARCHED ON : 19/02/2007 AT : 15:48:02	DATE OF ISSUE : 29/02/2000
	EDITION : 6

NOTATIONS

DOCUMENTS AFFECTING THIS TITLE

NIL

REGISTRAR-GENERAL'S NOTES

PLAN FOR LEASE PURPOSES GP 110/24

END OF TEXT.

Page 2 of 3

The Registrar-General certifies that this Title Register Search displays the records maintained in the Register Book and other notations at the time of searching.





Title Register Search

LANDS TITLES OFFICE, ADELAIDE

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REGISTER SEARCH OF CERTIFICATE OF TITLE * VOLUME 5739 FOLIO 277 *

COST : \$16.10 (GST exempt)
REGION : GROUND FLOOR, L.T.O. - LGHP12
AGENT : S90C BOX NO : 000
SEARCHED ON : 19/02/2007 AT : 15:47:51
PARENT TITLE : CT 2898/25
AUTHORITY : CONVERTED TITLE
DATE OF ISSUE : 29/02/2000
EDITION : 6

REGISTERED PROPRIETOR IN FEE SIMPLE

HEDGEHOG CORPORATION PTY. LTD. OF C/- LEVEL 3/97 PIRIE STREET ADELAIDE SA
5000

DESCRIPTION OF LAND

ALLOTMENT 127 FILED PLAN 181779
IN THE AREA NAMED ADELAIDE
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2267109)

SUBJECT TO EASEMENTS OVER THE LAND MARKED C (GRO NO.74 BOOK 501)

SUBJECT TO PARTY WALL RIGHTS OVER THE LAND MARKED A (T 1112278)

SUBJECT TO A RIGHT OF WAY OVER THE LAND MARKED C (GRO NO.74 BOOK 501)

SUBJECT TO FREE AND UNRESTRICTED RIGHTS OF WAY OVER THE LAND MARKED C

TOGETHER WITH PARTY WALL RIGHTS OVER THE LAND MARKED B (T 1112278)

TOGETHER WITH A FREE AND UNRESTRICTED RIGHT OF WAY OVER THE LAND MARKED D

SCHEDULE OF ENDORSEMENTS

10380228 MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA

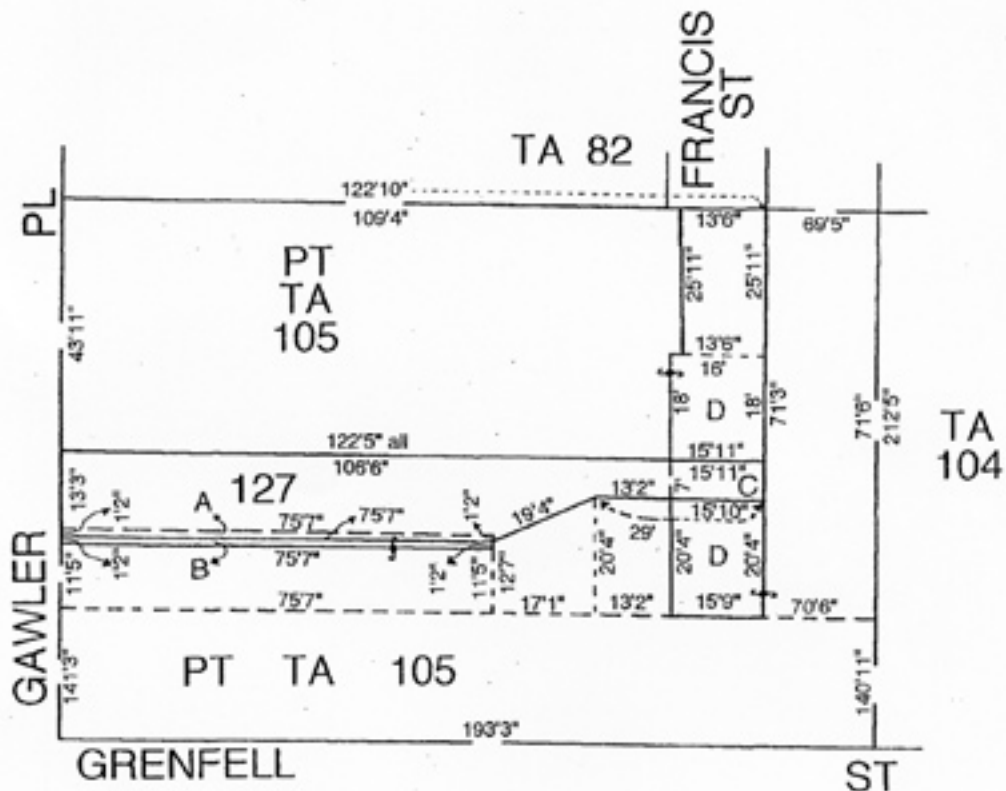
10587570 MORTGAGE TO ASSIST FINANCE CORPORATION PTY. LTD.

CONT.



LANDS TITLES OFFICE ADELAIDE SOUTH AUSTRALIA
 DIAGRAM FOR CERTIFICATE OF TITLE VOLUME 5739 FOLIO 277
 SEARCH DATE : 19/02/2007 TIME: 15:47:51

THIS PLAN IS SCANNED FOR CERTIFICATE OF TITLE 2990/25
 SEE TITLE TEXT FOR EASEMENT DETAILS



20 10 0 20 FT.

DISTANCES ARE IN FEET AND INCHES
 FOR METRIC CONVERSION
 1 FOOT = 0.3048 METRES
 1 INCH = 0.0254 METRES

NOTE: SUBJECT TO ALL LAWFULLY EXISTING PLANS OF DIVISION



Title Register Search

LANDS TITLES OFFICE, ADELAIDE

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REGION : GROUND FLOOR, L.T.O. - LGHP12	PARENT TITLE : CT 2898/25
AGENT : S90C BOX NO : 000	AUTHORITY : CONVERTED TITLE
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NOTATIONS

DOCUMENTS AFFECTING THIS TITLE

NIL

REGISTRAR-GENERAL'S NOTES

PLAN FOR LEASE PURPOSES GP 110/86

END OF TEXT.

Page 2 of 3

The Registrar-General certifies that this Title Register Search displays the records maintained in the Register Book and other notations at the time of searching.

Registrar-General 

DISCLAIMER

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