

Information Memorandum

8 Bilinga Rd, Kincumber



Prepared by:

Ben Purdue
Raine&Horne Commercial
Central Coast

April 2019

Raine&Horne[®]
Commercial

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Executive Summary

Property	8 Bilinga Rd, Kincumber
Legal Description	Lot 6 DP793874
General Description	Industrial
Net Lettable Area	992m ² *
Land area	1,855m ² *
Parking Area	8 car spaces
Title	Freehold
Tenancy Status	Leased
Zoning	IN 1 – General Industrial
Asking price	\$2.45m Ex GST
Annual income	\$212,873.00 + GST **

*Approximate

**Income includes current storage unit configuration projected at 100% occupancy.

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Contract for the sale and purchase of land 2018 edition

TERM MEANING OF TERM **NSW Duty:**

vendor's agent: Raine & Horne Commercial Estate
5/20/6 The Entrance Road, Erina NSW 2250
Email: ben@rhcoastal.com
Phone: 4385 9645
Fax: 4385 2074
Ref: Ben Purdie

co-agent:

vendor: Mark Patrick Lawren and Christine May Lawren
39 Sheffield Drive, Terrigal NSW 2260

vendor's solicitor: Patrick McHugh & Co Solicitors
113 Avoca Drive, Kincumber NSW 2251
PO Box 1356, Gosford NSW 2250
DK 7223 Gosford
Email: Conveyancing@patrickmchugh.com.au
Phone: 02 4369 8975
Fax: 02 4369 6980
Ref: 15836

date for completion: 56 days after the date of this contract (clause 15)

land (address, plan details and title reference): 8 Bilinga Road, Kincumber NSW 2251
Lot 6 in Deposited Plan 793874
Folio Identifier 6793874

improvements: HOUSE garage carport home unit outspace storage space
 home other: industrial unit

attached copies: documents in the List of Documents as marked or as numbered:
 other documents:

A real estate agent is permitted by legislation to fill up the items in this box in a sale of residential property.

inclusions: blinds dishwasher light fittings stove
 built-in wardrobes fixed floor coverings range hood pool equipment
 clothes line insect screens solar panels TV antenna
 curtains other:

exclusions:

price: \$ _____
deposit: \$ _____ (10% of the price, unless otherwise stated)
balance: \$ _____
contract date: _____ (if not stated, the date this contract was made)

buyer's agent:

vendor: _____ witness: _____

GST AMOUNT (optional)
The price includes
GST of: \$ _____

purchaser: JOINT TENANTS tenants in common in unequal shares witness: _____

Draft contract for sale (click link)

Introduction

On behalf of the vendors, Raine&Horne Commercial has the pleasure of offering 8 Bilinga Rd, Kincumber for sale by way of Expressions of Interest.

We trust you will recognise and acknowledge the benefits of this offering, as freehold storage properties rarely come to market and when offered for sale are hotly contested.

The Opportunity

8 Bilinga Rd, Kincumber presents a unique opportunity to acquire a fantastic investment property with multiple tenants in place & future upside.

The property is a freehold Industrial factory with 66 storage units in place. DA approved for 205 storage units in total in multiple stages. Stage 1 is complete with stage 2 partially completed. The property is located in a tightly held industrial estate with proximity to residential catchments affording the property strong demand from tenants. The lettable area is comprised of approximately 992m²* consisting of three (3) Industrial factory units & sixty-five (65) storage units.

The property receives strong demand for storage units with minimal input from the vendors. With options available to increase returns, this is certainly a property for the astute investor to capitalise on.



Property Overview

Location

The subject property has proximity to Residential catchments affording a constant stream of customers requiring self-storage. With waterways & beaches only minutes away, the property is well located suiting a variety of companies & individuals alike.

The property is situated 19kms to the M1 Motorway and 13kms to the Gosford Train Station.

With proximity to a multitude of tourism hotspots being Golf Courses, Waterways, indoor recreation activities, National Parks, Beaches & Retail shopping, the property is popular among visitors to the area.

The property lies within the Local Government Area administered by Central Coast Council.



Location

Surrounds

Kincumber is an established Residential suburb on the Central Coast NSW, approximately 89km north of the Sydney CBD & 1hr 38mins drive. A neighbouring suburb to Avoca Beach, Kincumber is a popular suburb for families & retirees due to its proximity to water ways, affordability & geographical convenience.

In surrounding suburbs, Kooindah Waters, Magenta Shores, Gosford & Shelly Beach Golf Courses, and multiple beaches with quality surfing waves, Tuggerah Lakes & Brisbane water ways for fishing & boating enthusiasts. Central Coast Stadium features NRL matches, A-League matches, Concerts & Events.



Avoca Beach

Organisations located on the Central Coast include:

- Bunnings warehouse, Westfield, Nick Scali, Anaconda, Harley Davidson
- Australian Taxation Office (300 jobs)
- Department of Finance (600 jobs)
- iCare
- Sara Lee
- Scholastic

Local area investment (more detail in the investment prospectus)

- Gosford Hospital upgrade (\$406 million)
- Wyong Hospital upgrade (\$200 million)
- Medical school & medical research institute (\$72 million)
- Federal Govt investment in Newcastle University (\$32.5 million)
- Parks & streetscape (\$10 million)
- Water, Sewerage & Drainage Infrastructure (\$42 million)
- Train fleet maintenance facility Kangy Angy (\$300 million)
- M1 Motorway upgrades (\$70 million)
- Gerry Harvey owned Family Fresh Baby Cucumber Facility Peats Ridge (\$20 million)
- CSR Hebel Somersby 10,000m² facility (\$30 million)
- Gosford RSL proposed re-development (\$31 million)



Gosford Hospital recent \$406 million upgrade

Property Features

- ✓ Freehold Industrial
- ✓ Multiple tenants
- ✓ DA approved for 205 storage units in total
- ✓ Self-Storage business in place – Owner managed
- ✓ Growth area
- ✓ Proximity to transport services
- ✓ Substantial solar power generation



Description of Improvements

The property is constructed of galvanised steel beams with sheet metal external walls & roofing.

The property has Sixty-five (65) storage units currently in operation. All the storage units have been constructed by a professional storage unit sales & construction company.

The property has a new concrete car park. There is also plenty of parking on site.



Financial Analysis

Income

Description	Area m2	Rate	Total
Unit 6	265	\$132.45	\$35,100.00
Unit 5	167	\$107.19	\$17,901.00
Warehouse 3 market rent (used by vendor)	180	\$120.00	\$21,600.00
Storage unit's March 19 income x 12 (managed by vendor)	380	\$254.99	*\$96,897.72
Total	992	\$153.66	\$171,498.72

*12-month storage income based on March 2019 income rounded.

All area measurements & amounts are approximations. All amounts are excluding GST & outgoings.

Description	Area m2	Rate	Total
Unit 6	265	\$132.45	\$35,100.00
Unit 5	167	\$107.19	\$17,901.00
Warehouse 3 market rent (used by vendor)	180	\$120.00	\$21,600.00
Storage units (managed by vendor)	380	\$363.87	*\$138,272.00
Total	992	\$180.88	\$212,873.00

*Income includes current storage unit configuration projected at 100% occupancy.

All area measurements & amounts are approximations. All amounts are excluding GST & outgoings.

Outgoings

Amount

Local Council rates & charges	\$ 1,492.00
Water, sewerage & drainage charges	\$ 1,780.35
Insurance	\$ 4,038.60
AFSS	\$ 440.00
Total	\$ 7,750.95
Less amounts recovered	\$ 6,199.00
Net outgoings payable by lessor	\$ 1,551.95

BMT Tax Depreciation

QUANTITY SURVEYORS

 8 Bilinga Road
KINCUMBER NSW 2251



Quote: #Q578087

Quoted Fee: \$3190

[Accept quote](#)

[Enquire about this quote](#)

[< \\$ Depreciation estimate](#)



Depreciation estimate

See how much you can save with a BMT Tax Depreciation Schedule

Estimated first year deductions:

\$42000 - \$68000

Synopsis of leases

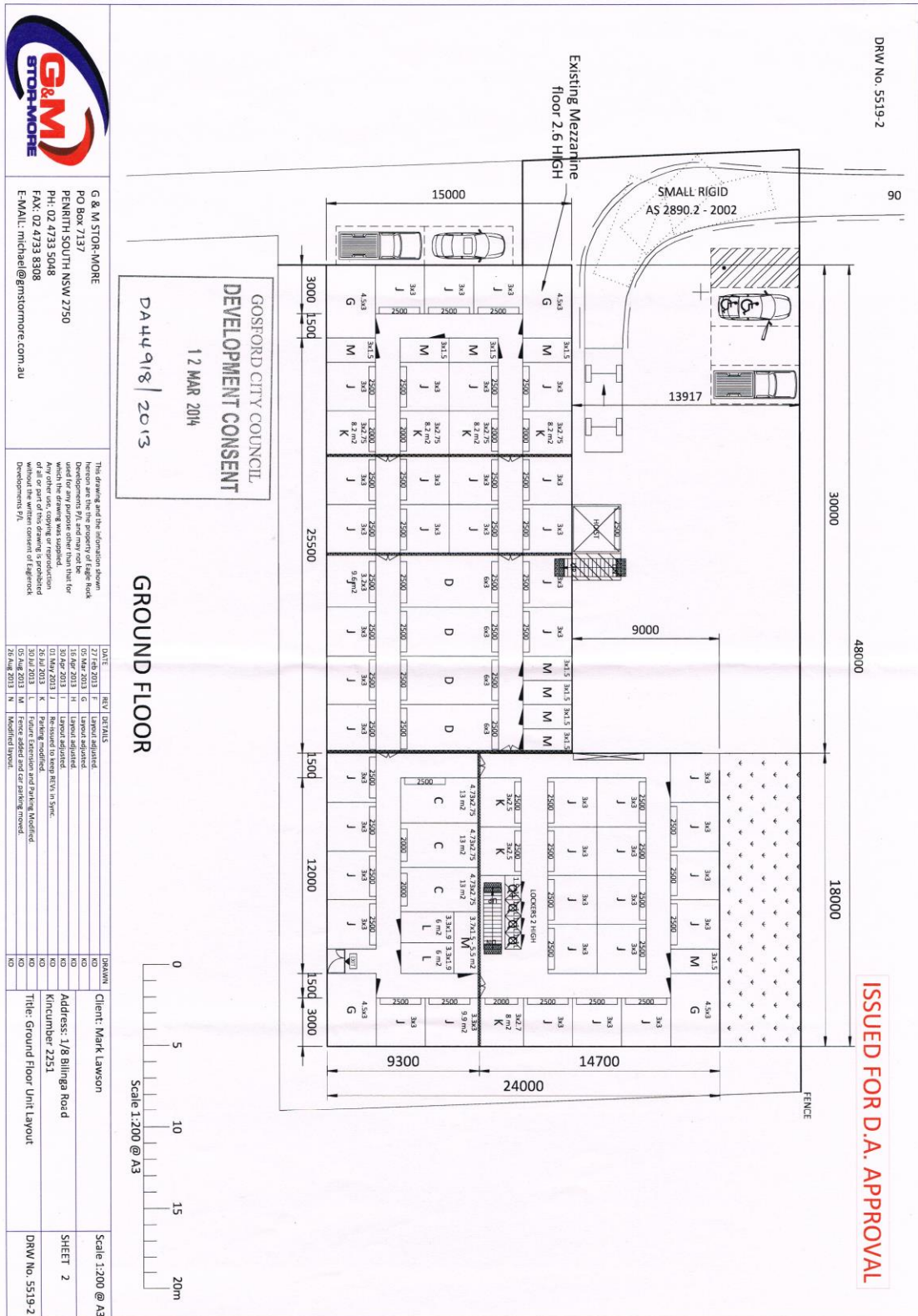
Unit 6


Lease term	Three (3) years
Option period	Three (3) years
Lease commencement date	01-Nov-18
Lease expiry date	01-Dec-21
Rent at commencement	\$35,100.00
Rent increases	CPI
Rent review	Market rent review
Bank Guarantee	\$9,652.50
Guarantor	Nil
Outgoings percentage	30%

Unit 5

Lease term	To follow
Option period	To follow
Lease commencement date	To follow
Lease expiry date	To follow
Rent at commencement	\$17,901.00
Rent increases	To follow
Rent review	To follow
Bank Guarantee	To follow
Guarantor	To follow
Outgoings percentage	To follow

Development approval





G & M STORE-MORE
PO Box 7137
PEARBETH SOUTH NSW 2750
PH: 02 4733 9048
FAX: 02 4733 8308
E-MAIL: michael@gmstoremore.com.au

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DATE	REV	DETAILS
27 Feb 2013	F	Final approved
05 Mar 2013	G	Layout adjusted
18 Apr 2013	H	Layout adjusted
30 Apr 2013	I	Layout adjusted
25 Jul 2013	K	Future extension and parking Modified
30 Jul 2013	L	Future extension and parking Modified
05 Aug 2013	M	Fence added and car parking moved
20 Aug 2013	N	Modified layout

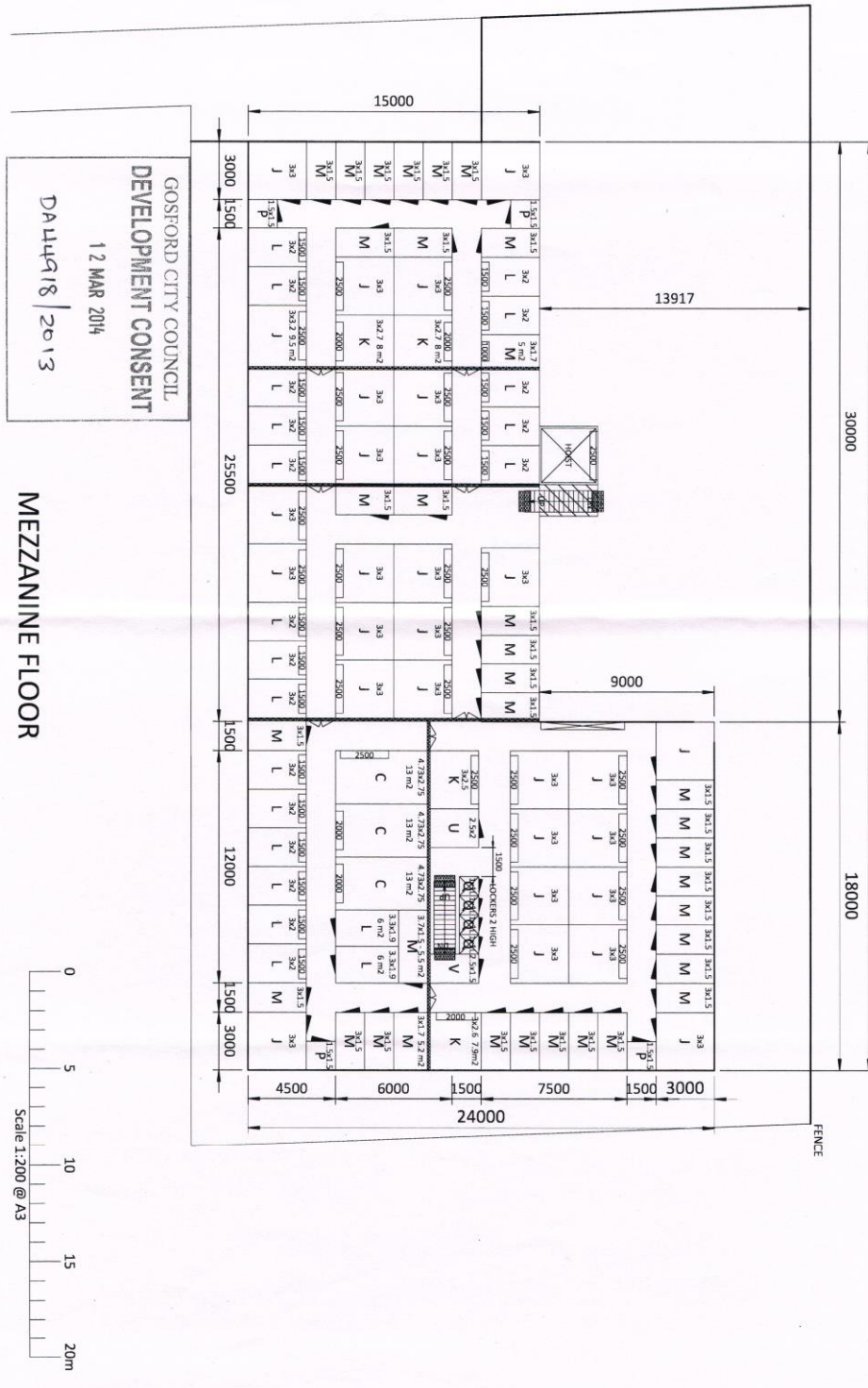
Client: Mark Lawson
Address: 1/8 Bilinga Road
Kincumber 2251

Scale 1:200 @ A3
SHEET 2
DRW No. 5519-2

DRW No. 5519-3

48000

ISSUED FOR D.A. APPROVAL



GOSFORD CITY COUNCIL
DEVELOPMENT CONSENT
12 MAR 2014
DATE 18/03/2013

MEZZANINE FLOOR



G & M STORMORE
PO Box 7137
PENRITH SOUTH NSW 2750
PH: 02 4733 5048
FAX: 02 4733 8308
E-MAIL: michael@gmstormore.com.au

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DATE	REV	DETAILS	BY/APPV
05 Nov 2013	F	Final	GD
05 Nov 2013	G	Layout adjusted	GD
30 Sep 2013	H	Layout adjusted	GD
01 May 2013	J	Revised to keep RTV in sync.	GD
26 Jul 2013	K	Parking modified.	GD
30 Jul 2013	L	Future extension and parking Modified	GD
05 Aug 2013	M	Fence added and car parking moved	GD
26 Aug 2013	N	Modified layout.	GD

Client: Mark Lawson
Address: 1/8 Bilinga Road
Kincumber 2251
Title: First Floor Unit Layout
Scale 1:200 @ A3
SHEET 3
DRW No. 5519-3

Tenant Profile

Unit 6

the beholder

HOME OUR SERVICES OUR STORY STORE INSTAGRAM



INTERIOR STYLING

Interior styling and spatial design for residential and commercial projects:

- Residential homes
- Holiday homes
- Display suites
- High concept commercial installations
- Retail store fit out
- Restaurant fit-out
- Pop up spaces
- Television studio floors

WE'VE INTERIOR STYLED FOR:

VICINITI POINT FREDERICK
ARCADIA RESIDENTIAL GOSFORD
HARKHAM WINES
PHEAST RESTAURANT
VISTA RESIDENTIAL GOSFORD
ERINA FAIR
+MORE

Interior styling, consultation, concept design, project management, material and furniture sourcing, concept renderings and floor plans.

Image gallery



The Local Market

Central Coast Council has adopted a forward-thinking approach with the amalgamation of the Wyong & Gosford Councils. At the forefront of the Council's plans is the revitalisation of the Central Coast through upgrading infrastructure, creating jobs and attracting tourists.

Gosford & surrounding areas is a competitive market with a mixture of Industrial & Commercial properties across the area. Kincumber has a cross section of predominately residential properties with a corridor of Retail property through its centre. Ownership patterns for Kincumber are a mixture of renters & owner occupiers.

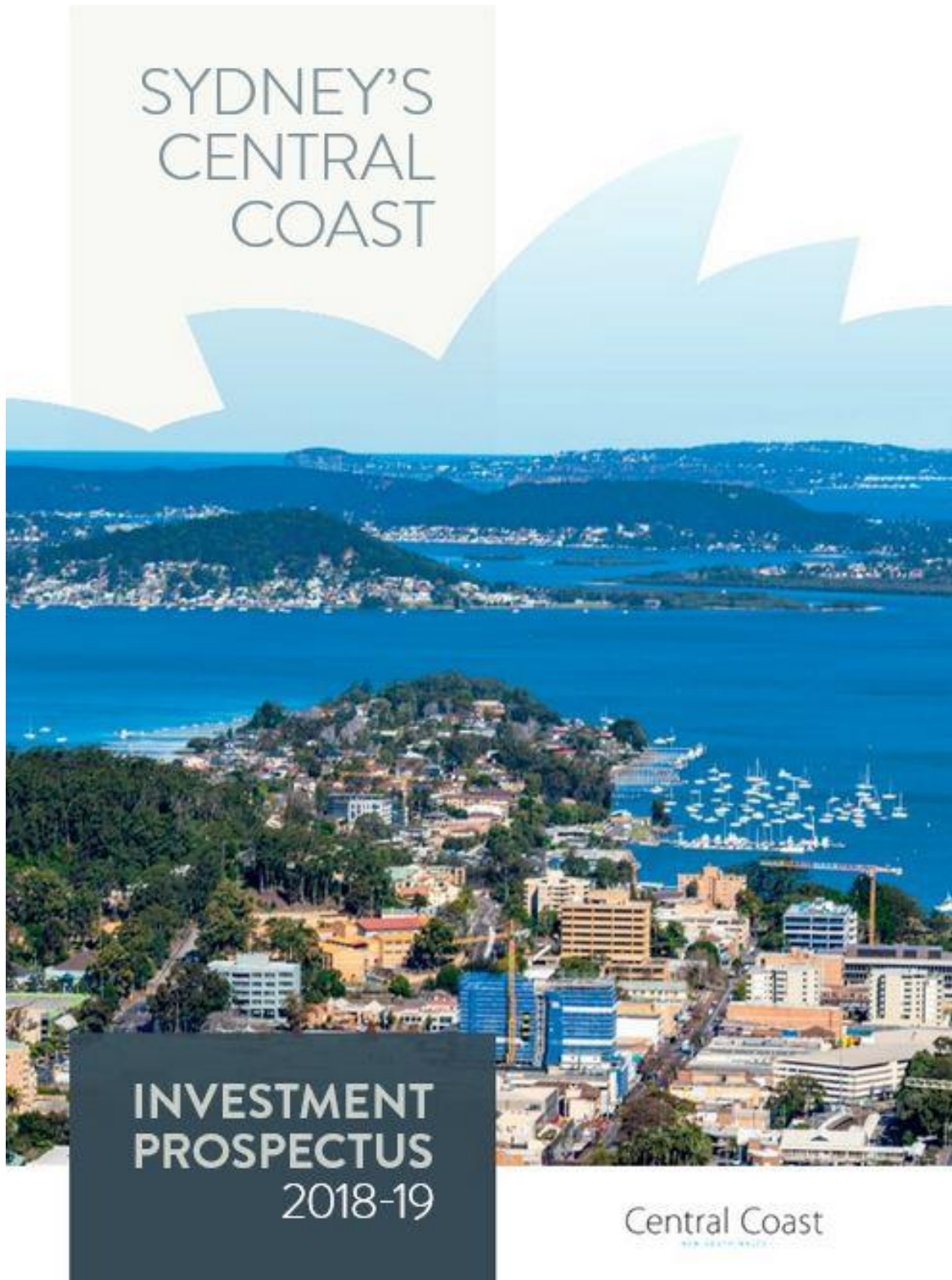
Levels of Industrial vacancies have remained contracted over the past few months; some notable sales have been recorded in the area recently although predominately, properties are tightly held which ensures good interest when suitable properties are offered for sale.



Australian Taxation Office Gosford – Sold April 2018 \$43.5 million



Department of Finance Building – Gosford



Central Coast Investment Prospectus 2018/19

RBA Statement

Statement by Philip Lowe, Governor:
Monetary Policy Decision

Number 2019-07

Date 2 April 2019

At its meeting today, the Board decided to leave the cash rate unchanged at 1.50 per cent. The outlook for the global economy remains reasonable, although growth has slowed, and downside risks have increased. Growth in international trade has declined and investment intentions have softened in a number of countries. In China, the authorities have taken steps to ease financing conditions, partly in response to slower growth in the economy. Globally, headline inflation rates have moved lower following the earlier decline in oil prices, although core inflation has picked up in a number of economies. In most advanced economies, unemployment rates are low and wages growth has picked up.

Global financial conditions remain accommodative and have eased recently. Long-term bond yields have declined further, consistent with the subdued outlook for inflation and lower expectations for future policy rates in a number of advanced economies. Across a range of markets, risk premiums remain low. Equity markets have also risen and are being supported by growth in corporate earnings. In Australia, long-term bond yields have fallen to historically low levels and short-term bank funding costs have moderated further. The Australian dollar has remained within its narrow range of recent times. While the terms of trade have increased over the past couple of years, they are expected to decline over time.

The Australian labour market remains strong. There has been a significant increase in employment and the unemployment rate is at 4.9 per cent. The vacancy rate remains high and there are reports of skills shortages in some areas. The stronger labour market has led to some pick-up in wages growth, which is a welcome development. Continued improvement in the labour market is expected to see some further lift in wages growth over time, although this is still expected to be a gradual process.

The GDP data paint a softer picture of the economy than do the labour market data. GDP rose by just 0.2 per cent in the December quarter to be 2.3 per cent higher over 2018. Growth in household consumption is being affected by the protracted period of weakness in real household disposable income and the adjustment in housing markets. The drought in parts of the country has also affected farm output. Offsetting these factors, higher levels of spending on public infrastructure and an upswing in private investment are supporting the growth outlook, as is the steady growth in employment.

The adjustment in established housing markets is continuing, after the earlier large run-up in prices in some cities. Conditions remain soft and rent inflation remains low. Credit conditions for some borrowers have tightened a little further over the past year or so. At the same time, the demand for credit by investors in the housing market has slowed noticeably as the dynamics of the housing market have changed. Growth in

credit extended to owner-occupiers has eased. Mortgage rates remain low and there is strong competition for borrowers of high credit quality.

Inflation remains low and stable. Underlying inflation is expected to pick up gradually over the next couple of years, although this has been taking a little longer than earlier expected. The central scenario is for underlying inflation to be 2 per cent this year and 2¼ per cent in 2020. In the near term, headline inflation is expected to decline because of lower petrol prices earlier in the year, while underlying inflation is expected to remain broadly stable.

The low level of interest rates is continuing to support the Australian economy. Further progress in reducing unemployment and having inflation return to target is expected, although this progress is likely to be gradual. Taking account of the available information, the Board judged that it was appropriate to hold the stance of policy unchanged at this meeting. The Board will continue to monitor developments and set monetary policy to support sustainable growth in the economy and achieve the inflation target over time.

Enquiries

Media and Communications

Secretary's Department

Reserve Bank of Australia

SYDNEY

Central Coast Regional Plan 2036.

The Central Coast has outstanding natural assets, enjoys close proximity to the Hunter and Sydney and has an enviable lifestyle. It continues to be a very attractive region to live and work. The Central Coast is expected to have a population of 415,000 in 2036. Managing the growth and change in the region over the next 20 years so it remains a great place to live is the impetus behind the Central Coast Regional Plan 2036 – a 20-year blueprint for the future.

The Plan responds to wide-ranging community and stakeholder consultation with a plan to deliver more local jobs, greater housing diversity, livelier urban centres with more varied retail, cafes and entertainment, efficient public transport and a protected natural environment.

It promotes the renewal of Gosford, Wyong and other local centres, investment in the growth corridors between Somersby and Erina and Tuggerah and Warnervale. The Plan supports the strong agricultural sector and resource lands to help build economic opportunity and increase local jobs.

More housing and a greater variety of housing are proposed in Gosford City Centre, the growth corridors, local centres across the region and in the new Warnervale-Wadalba land release areas. A vibrant new town centre is planned for Warnervale, as well as the revitalisation of the Wyong, Tuggerah and Erina centres. Protecting and connecting important natural areas will safeguard the environment and the important connections that residents have to it.

Improvements to public transport are foreshadowed to make it easier for residents, business and visitors to connect with jobs, centres and natural areas within the region and between the Central Coast and other regions. Cycling and walking paths will also be enhanced.

The Central Coast Regional Plan 2036 encompasses a vision for the future of a healthy natural environment, a flourishing economy and well-connected communities and it outlines the actions, the timeframe and the accountabilities for achieving it. I urge everyone who cares about the Central Coast to get behind it. We recognise the Darkinjung and the Kuring-gai are the original owners of the land. They are important partners in protecting the Aboriginal heritage, environment and economic opportunities on their lands.

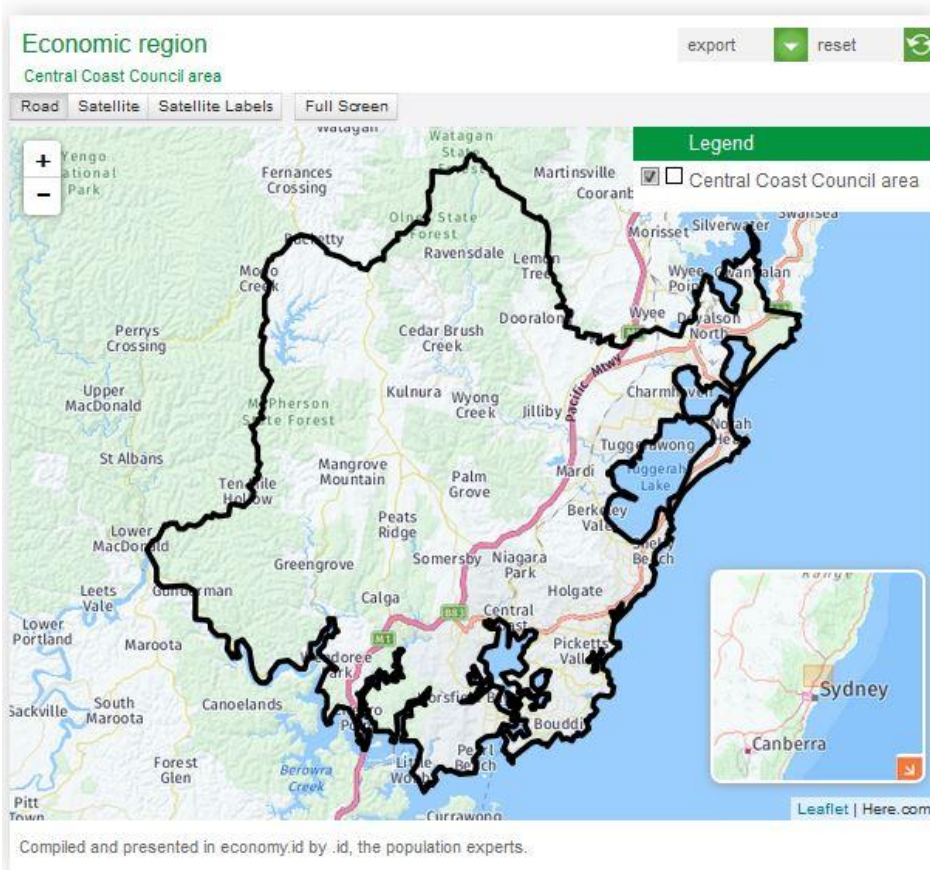
Scot MacDonald MLC

Parliamentary Secretary for the Central Coast

Source: Planning & Environment NSW Government website

<http://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Central-Coast/Central-Coast-regional-plan/Vision>

Economic Profile



NEWS

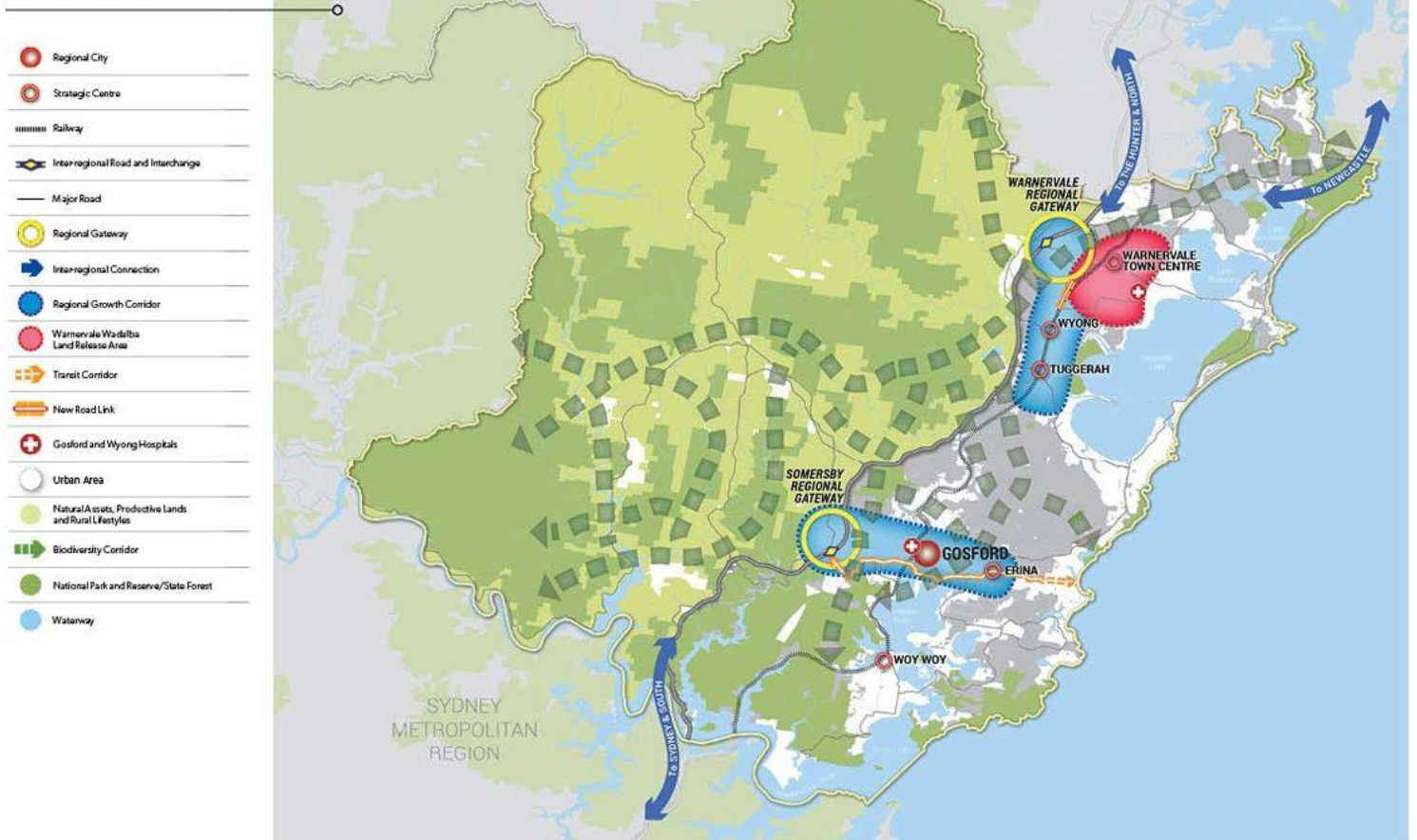
[Applying for funding?](#)
Here's a free step-by-step grant application guide
(5/03/2018)

[Latest data updates](#)
Be the first to know about the latest data releases by bookmarking our product updates page
(1/01/2018)

[Access demographic and economic resources for Australia and New Zealand](#)

Click the image to view

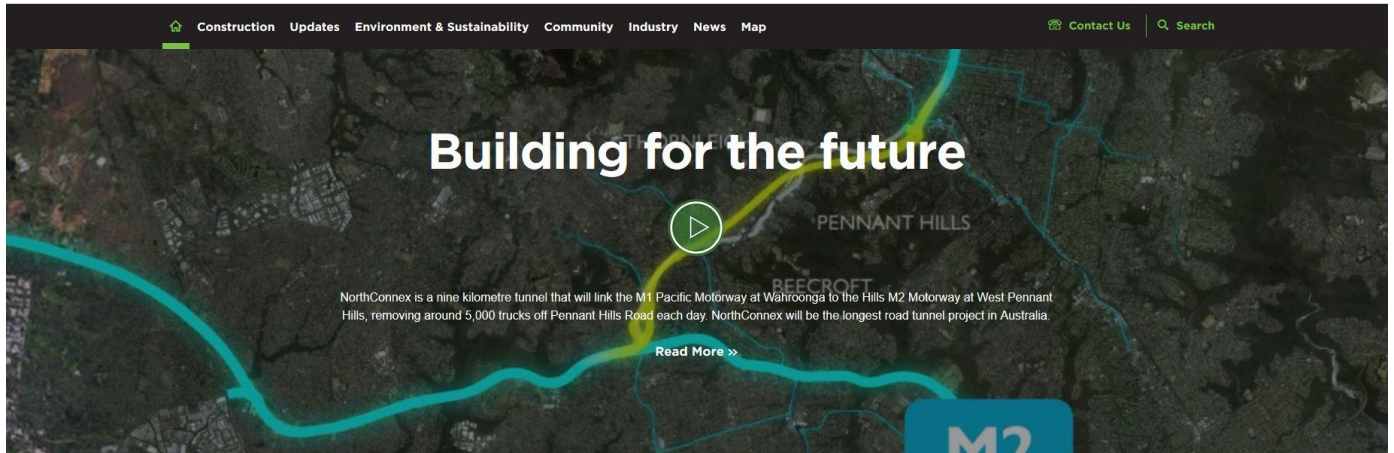
Figure 3: Central Coast 2036



NorthConnex



Transurban



NorthConnex Map - Source: Transurban

It is expected that the tunnel would cost \$3 Billion.

NorthConnex is scheduled to open to traffic as a two-lane underground motorway in 2019.

Key Benefits of the NorthConnex Project:

- 9km of Tunnel linking the M1 Pacific Motorway & the M2 Hills Motorway
- No traffic lights between Newcastle & Melbourne
- Bypass up to 21 sets of traffic lights
- Deliver improved air quality to residents
- Tunnel height of 5.3m
- Returning local streets to local communities
- Providing opportunities for improved public transport
- 8,700 Jobs for NSW
- Built for 3 lanes but marked for 2 lanes upon opening
- Improve the efficient movement of state & national freight
- Better & more reliable trips for people, businesses & freight
- Avoid 40 sets of traffic lights on Pacific Highway to Sydney CBD
- Up to 5,000 trucks off Pennant Hills Road
- A time saving of up to 15 minutes



Kincumber Industrial estate

Sale Process

Raine&Horne Commercial have been appointed exclusive selling agents to offer 8 Bilinga Rd, Kincumber for sale.

All enquiries, requests for inspections in relation to the property are to be directed to myself, Ben Purdue of Raine&Horne Commercial.

Sincerely,

Ben Purdue

Commercial Sales & Leasing
Business Broker

ben@rhcoastal.com

D+ 61 (02) 4365 0645

M 0450 719 600



Disclaimer

Raine and Horne Commercial for themselves and the proprietors of this property, give notice that:

- i. The particulars are set out as a general outline only for the guidance of Purchasers and do not constitute an offer or contract;
- ii. All descriptions, dimensions, references to conditions and necessary permissions for use and occupation and other details are given in good faith and any intending occupiers should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them.
- iii. No Person in the employ of Raine and Horne Commercial has any authority to make or give any representation or warranty whatsoever in relation to this property.
- iv. Prior to making any decisions in relation to the purchase of anything set out in this information memorandum, all persons reading this information memorandum should undertake proper enquiries and conduct due diligence. It is important that those persons who are not experienced in the practice of due diligence engage professional persons such as accountants, legal representatives or financial advisors to undertake this task.

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ZONING

Zone IN 1 General Industrial

1 Objectives of zone

- To provide a wide range of industrial and warehouse land uses.
- To encourage employment opportunities.
- To minimise any adverse effect of industry on other land uses.
- To support and protect industrial land for industrial uses.
- To promote ecologically, socially and economically sustainable development.
- To ensure that retail, commercial or service land uses in industrial areas are of an ancillary nature.
- To ensure that development is compatible with the desired future character of the zone.

2 Permitted without consent

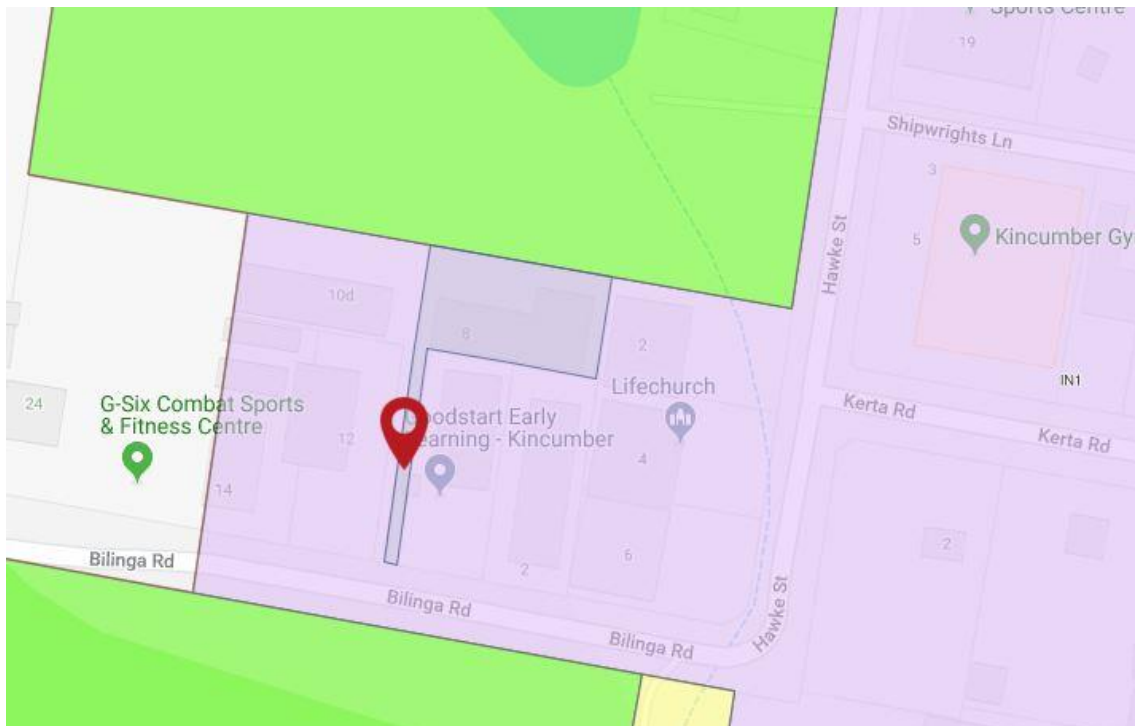
Recreation areas

3 Permitted with consent

Depots; Freight transport facilities; Garden centres; General industries; Hardware and building supplies; Industrial training facilities; Landscaping material supplies; Light industries; Neighbourhood shops; Places of public worship; Restaurants or cafes; Roads; Rural supplies; Timber yards; Vehicle sales or hire premises; Warehouse or distribution centres; Any other development not specified in item 2 or 4

4 Prohibited

Amusement centres; Boat building and repair facilities; Boat sheds; Camping grounds; Car parks; Caravan parks; Cemeteries; Charter and tourism boating facilities; Commercial premises; Correctional centres; Crematoria; Eco-tourist facilities; Entertainment facilities; Environmental facilities; Environmental protection works; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Flood mitigation works; Forestry; Health services facilities; Heavy industrial storage establishments; Highway service centres; Home-based child care; Home businesses; Home occupations; Home occupations (sex services); Information and education facilities; Marinas; Mooring pens; Moorings; Mortuaries; Open cut mining; Public administration buildings; Recreation facilities (major); Research stations; Residential accommodation; Restricted premises; Tourist and visitor accommodation; Water recreation structures; Water supply systems



Contact Us

Raine&Horne Commercial
5/206 The Entrance Rd, Erina
NSW, Australia

T: 02 4365 0645

F: 02 4385 2074

rhc.com.au/erina

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**Raine&Horne[®]
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