



INFORMATION MEMORANDUM

90-92  
**MURRAY STREET**  
**HOBART**

EXPRESSIONS OF INTEREST CLOSING  
THURSDAY 10<sup>TH</sup> DECEMBER 2020



# TABLE OF CONTENTS

## 90-92 MURRAY STREET, HOBART

INTRODUCTION	6
EXECUTIVE SUMMARY	8
INVESTMENT HIGHLIGHTS	10
LOCATION	12
TAS ECONOMIC OVERVIEW	14
TITLE, SITE AREA & ZONING	16
IMPROVEMENTS	18
LEASE DETAILS	20
FINANCIALS	22
TENANCY PROFILE	23
APPROVED DA & WORK COMPLETED	24
AGENTS COMMENTS	27
SALES PROCESS & SOLICITORS DETAILS	28
DISCLAIMER	29
APPENDICIES	30



# INTRODUCTION

Knight Frank takes pleasure in offering for sale to the market an Iconic Hobart retail asset 'Bidencopes' 90-92 Murray Street, Hobart.

Without a doubt the property occupies one the very best retail locations in Tasmania and is to be sold as a tenanted investment, leased to two leading national tenants with excellent trading history: 'Rodd & Gunn' and 'Gorman' as well as leading architecture firm 'S Group'.

The property also has plenty of upside with an approved DA for 5 apartments and office space that has substantial commencement meaning the successful new purchaser can continue with the development as the permit is now permanent.

Hobart's CBD has experienced significant development in recent years and looks set to continue as Hobart transitions into a more modern day 24/7 city. The University of Tasmania has been central to this with its increasing presence within Hobart's CBD with its relocation from its Sandy Bay campus gathering pace along with the tourism sector (Pre Covid-19) which was the fastest growing tourism sector in Australia.

The CBA state of the states report October 2020 has Tasmania in the top spot on the economic performance rating with continued confidence in the state of Tasmania despite the onset of the global pandemic.



# EXECUTIVE SUMMARY

**ADDRESS:** 'Bidencopes' 90-92 Murray Street, Hobart

**LOCATION:** The property occupies a prime trading position with superb frontage and exposure to Murray Street right in the heart of Hobart's CBD. The property is located directly opposite the New Myer' Icon Centre, Cat & Fiddle Arcade and adjacent to Hobart's Centrepoint

**BUILDING:** The property was constructed circa mid 1800's and has been modernised on the ground floor and level 1 over the years with level two being in close to original condition

**TOTAL STRATA AREA:** 821 sqm (approx)

**LAND AREA:** 271 sqm (approx)

**ZONING:** 'Central Business' under the Hobart interim Planning Scheme 2015

**OCCUPANCY:** Ground floor fully tenanted to national tenants 'Rodd & Gunn' and 'Gorman', Level 1 tenanted to 'S Group Architecture'; and Level 2 to an artist in residence

**ESTIMATED NET INCOME:** \$301,051

**METHOD OF SALE:** For Sale By Expressions of Interest Closing 10 December 2020 at 4pm (AEDT)



S Group



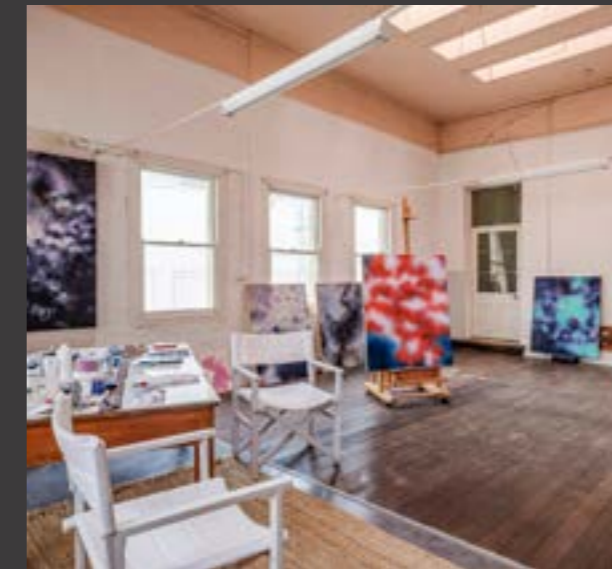
Gorman



S Group



Rodd & Gunn



Artist in residence



Gorman

# INVESTMENT HIGHLIGHTS



Landmark CBD commercial property with admired heritage facade



Attractive tenancy profile leased to leading national tenants 'Rodd & Gunn' and 'Gorman'



Located in a prime trading CBD position with outstanding frontage to Murray Street



Substantial holding income plus future development upside with approved and commenced 'DA' for 5 residential apartments and office space.



10 • 90-92 MURRAY STREET, HOBART



**“ A RARE OPPORTUNITY TO OWN ONE OF HOBART’S MOST ADMIRED & RECOGNISED GROWING ASSETS ”**





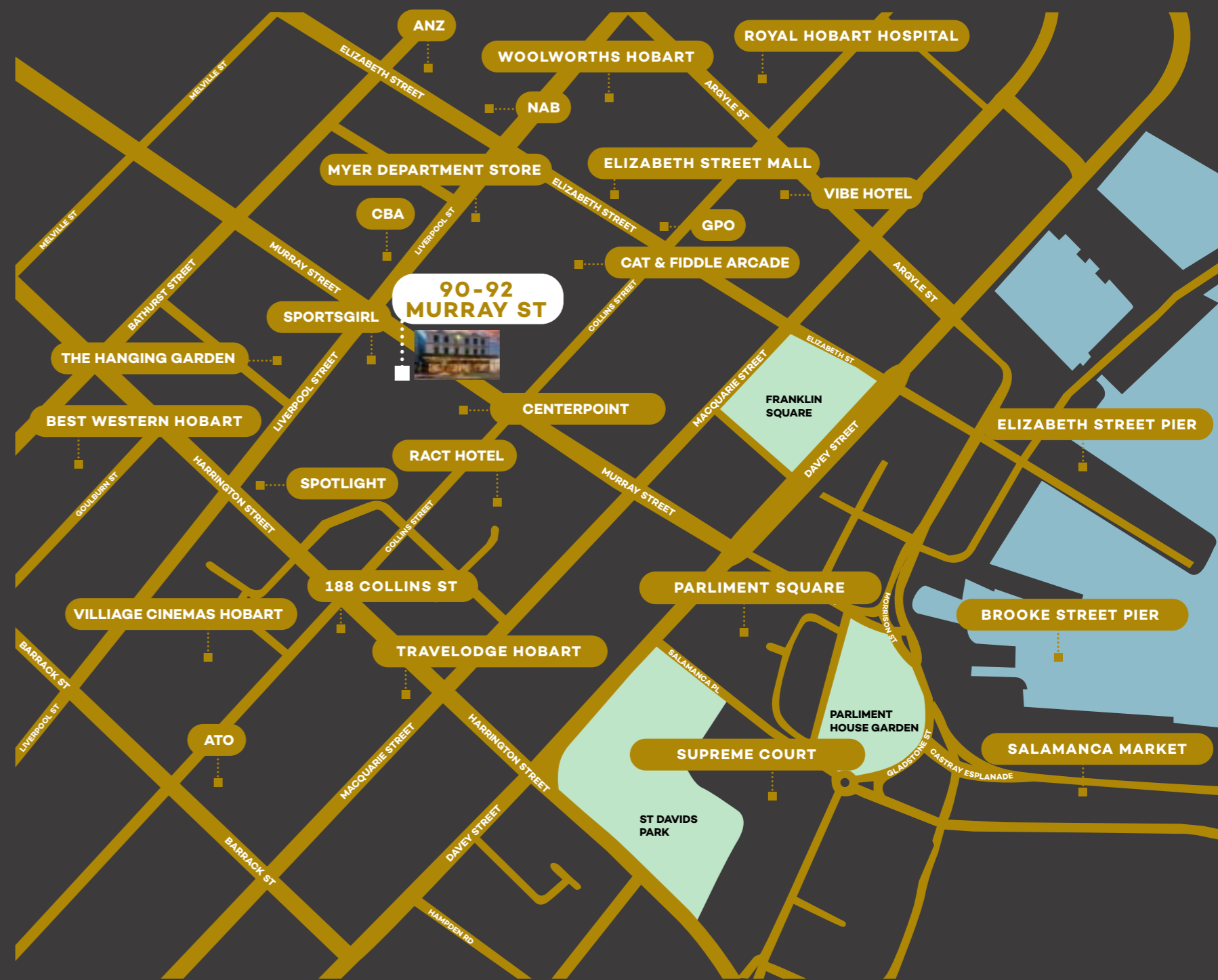
# LOCATION

90-92 Murray Street, Hobart is centrally located on Hobart's Murray Street directly opposite Myer 'Icon' Hobart, 'Cat & Fiddle Arcade' and adjacent to 'Centerpoint' between Liverpool and Collins Streets and is approximately 300 metres to Hobart's GPO.

This section of the CBD is considered to be Hobart's premiere retail location with an array of leading international and national tenants & significant passing traffic, both vehicular and pedestrian traffic all year round.



**90-92 MURRAY ST**



**90-92 MURRAY ST**



# TASMANIAN ECONOMIC OVERVIEW

Tasmania continues to navigate its way through Covid19 relatively well. According to CBA's "State of the States" report October 2020, Tasmania has now been on top for three straight surveys and leads on five of the eight economic indicators; relative population growth, equipment investment, housing finance, dwelling starts and retail trade.



Economic growth  
up **19.9%**



Business/equipment investment  
up **15.2%**



Housing finance growth  
up **75.2%**



Dwelling commencement  
up **9.5%**



House price growth  
up **8.2%**



Wage growth  
up **2.4%**



Construction work  
up **6.3%**



Annual population growth  
**1.12%**

“ **TASMANIA REMAINS IN TOP SPOT ON THE ECONOMIC PERFORMANCE RANKINGS.** ”

# TASMANIAN ECONOMIC OVERVIEW

“ **HOME BUILDING HAS BEEN STRONG IN TASMANIA BECAUSE POPULATION GROWTH IS WELL ABOVE 'NORMAL' AND HOME PRICES ARE STILL RELATIVELY LOW COMPARED WITH THE MAINLAND** ”

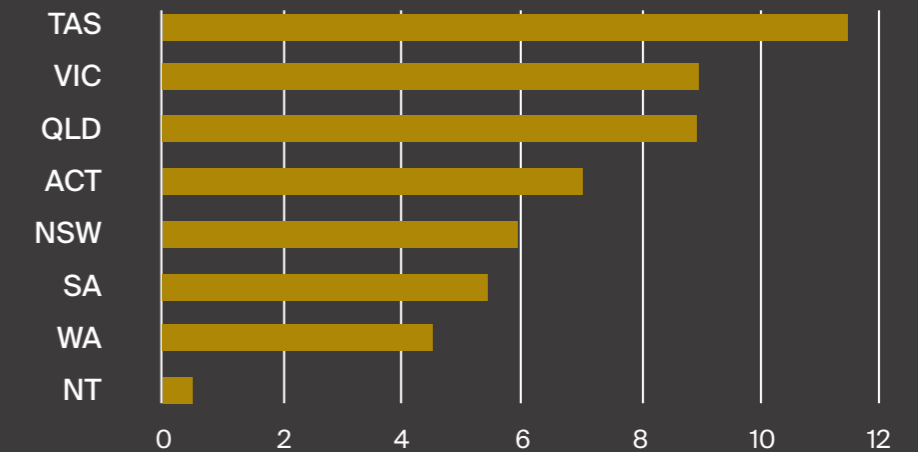
**#1** **TASMANIA REMAINS AUSTRALIA'S BEST PERFORMING ECONOMY**

## RETAIL SPENDING

Retail spending in Tasmania was 11.4 per cent above decade average levels in the June quarter. Success in suppressing the virus and higher home prices have supported retail spending.

## TASMANIA IS STRONGEST FOR SPENDING

Real retail trade, percent change June quarter on decade average. Source CommSec, ABS





# TITLE, STRATA AREA & ZONING

90-92 Murray Street is contained within the following two Certificates of Title with the respective strata areas:

Volume 154779 Folio 1	556 sqm
Volume 154779 Folio 2	265 sqm
<b>TOTAL STRATA AREA</b>	<b>821 SQM</b>

A copy of the Certificates of Title and Plan is attached to this Information Memorandum.

The property is currently zoned "Central Business" under the Hobart Interim Planning Scheme (HIPS) 2015.

A copy of the zoning Table of Uses is included in this Information Memorandum.

The property is listed on the Tasmanian Heritage register.



Existing top floor



Architects render of a level 2 apartment



# IMPROVEMENTS

The property comprises a three storey, conjoined commercial building described as follows:



## CONSTRUCTION

Floors	Timber
Main External Walls	Brick
Window Frames:	Mixture of Metal and Timber
Roof	Corrugated galvanised iron or similar
Main Interior Linings	Timber, Plaster
Construction Year	Mid 1800's

## BUILDING SERVICES

Lighting	Fluorescent and incandescent
Heating/Ventilation	Air conditioning to ground level retail area via ceiling ducted system
Security Systems	Each tenancy has their own security system
Lift	The building is not fitted with a lift

# IMPROVEMENTS

## ACCOMODATION

Accomodation is as follows:

Tenancy 1: Gorman	Ground level retail shop incorporating original ornate shopfront, staff toilet, rear kitchenette/store
Tenancy 2: Rodd & Gunn	Ground level tenancy only comprising ornate shopfront, rear kitchenette/store room, staff toilet. Further access to the basement space
Tenancy 3: S Group Architecture	Part level 1 tenancy comprising of reception, staff amenities including tea room & toilets as well as a large open plan working area
Tenancy 4: Artist in residence	Part Level 2 space



## LEASE DETAILS

The property is leased to four tenants and these leases are summarised below:

### The Rodd & Gunn lease is summarised as follows:

PREMISES:	'Bidencopes' 90-92 Murray Street, Hobart
TENANT:	Rodd & Gunn Australia Ltd
GLA:	Ground floor: 123 sqm (approx) + Basement storage: (50 sqm approx)
LEASE COMMENCEMENT:	1st April 2014
TERM:	5 YEARS
LEASE EXPIRY:	30th June 2024 (recently extended by 3 months as part of COVID)
OPTIONS:	One option of a further 5 years (exercised)
CURRENT NET RENTAL:	\$129,375
RENT REVIEWS:	3.5% annually and market value on exercise of each option period.
OUTGOINGS:	The tenant is responsible for the 51.25% of the outgoings (based on either the ratio of the lettable area of the tenant's premises to the lettable area of all lettable premises sharing the benefit of a particular outgoing or the ratio of the assessed annual value of the tenant's premises to the assessed annual value of all lettable premises sharing the benefit of a particular outgoing (\$16,859 2020/21)
PERMITTED USE:	Retail clothing and accessories

### The Gorman lease is summarised as follows:

PREMISES:	90 Murray Street, Hobart
TENANT:	Factory X Pty Ltd ACN 978 151 667
GLA:	Ground floor: 110 sqm (approx) + Basement storage: (50 sqm approx)
BOND:	3 months gross rental
LEASE COMMENCEMENT:	1st September 2016
TERM:	6 YEARS
LEASE EXPIRY:	31st August 2022
OPTIONS:	One option of a further 6 years
CURRENT RENTAL:	\$152,081 gross per annum
RENT REVIEWS:	4% annually and independent valuer is to be appointed for the option
PERMITTED USE:	Retail clothing and accessories

## LEASE DETAILS

### The S Group lease is summarised as follows:

PREMISES:	First Floor, 90-92 Murray Street, Hobart
TENANT:	Zegen Pty Ltd ACN 151 815 888
GLA:	174 sqm (approx)
GUARANTOR:	Mr Sam Haberle
LEASE COMMENCEMENT:	1st July 2017
TERM:	3 YEARS
LEASE EXPIRY:	30/06/2020 (Currently on holdover)
OPTIONS:	NIL
CURRENT RENTAL:	\$27,491 gross per annum
RENT REVIEWS:	CPI annually
PERMITTED USE:	Commercial Office

### The Corinne Costello lease is summarised as follows:

PREMISES:	Part Level 2, 90-92 Murray Street, Hobart
GLA:	56 sqm (approx)
TENANT:	Corinne Costello
BOND:	3 months gross rental
LEASE COMMENCEMENT:	6 August 2020
TERM:	MONTHLY
OPTIONS:	NIL
CURRENT RENTAL:	\$5,454.6 gross per annum
RENT REVIEWS:	Not Applicable
OUTGOINGS:	Gross basis lease
PERMITTED USE:	Artist studio only

# FINANCIALS

## GROSS INCOME

Gorman	\$152,081
Rodd & Gunn	\$129,375
S Group	\$27,491
Artist	\$5,454
Plus recoverable outgoings	\$16,859
<b>TOTAL GROSS INCOME</b>	<b>\$331,261</b>

## LESS BUDGETED OUTGOINGS 2020/2021

Rates	\$14,673.83
Land Tax	\$14,587.50
Water/Sewer	\$948.60*
<b>TOTAL</b>	<b>(\$30,209.93)</b>

**BUDGETED INCOME  
(BEFORE OWNER OUTGOINGS)** **\$301,051\***

\*approximate



# TENANCY PROFILES



**RODD & GUNN:** The Rodd & Gunn heritage dates back to 1946, when the brands first trademark logo was used on New Zealand made shirts. In its current form the brand was established in 1987 when the first stand alone store opened in Auckland, NZ. Rodd & Gunn is synonymous with quality, while taking inspiration from New Zealand's picturesque landscape. Today Rodd & Gunn is owned and operated by Mike Beagley, Howard McDonald & USA Investors.



**GORMAN:** The story of Gorman begins in the coastal Victorian town of Warrnambool where a young woman was born and would go onto become one of Australia's most recognized names in women's fashion. Her name was Lisa Gorman. Moving to Melbourne post high school, Lisa put fashion on the backburner and pursued a rewarding career as a nurse. Unable to suppress her desire for design, Lisa undertook night school and after completing her studies Lisa managed to obtain a traineeship with a boutique Melbourne bridal design. The freedom to design clothing professionally finally pushed Lisa to design her own small collection of clothing. After travelling for a year Lisa returned to Melbourne

and leased a small green carpeted office in Melbourne. By 2003 Gorman was officially stocked in 55 retailers in Australia and 15 in Japan. In 2004 the first Gorman boutique opened on Chapel Street in Melbourne. Move forward nearly 20 years and launching her eponymous label, Gorman now has 40 stores across Australia and is owned by Factory X retail group (owners of Dangerfield, Jack London, Allannah Hill) with Lisa and her team still having an active roll in the business and are forever proud to dress those who dare to be themselves.



**S GROUP:** S Group is a unique multi disciplinary studio that intergrates architecture, strategic creative design and marketing. S Group offers a leading combination of specialist knowledge, resources, capability and scale and are driven by our ultimate vision to create a world without poverty. S Group has experience from large scale tourism and educational facilities and award winning architectural projects and site-sensitive developments, through to Council, community and business branding, strategy and web design. S Group is owned and operated by Matt Field, Phil Beeston and Sam Haberle.

# APPROVED DA & WORK COMPLETED

The current owners applied for and were granted a Planning Permit PLN-16-974 by the Hobart City Council (HCC) under the Hobart Interim Planning Scheme 2015 on 27 October 2016 for the construction of 5 apartments and an office area on levels 1 and 2 of the Bidecopes building as follows:

## 1st Level:

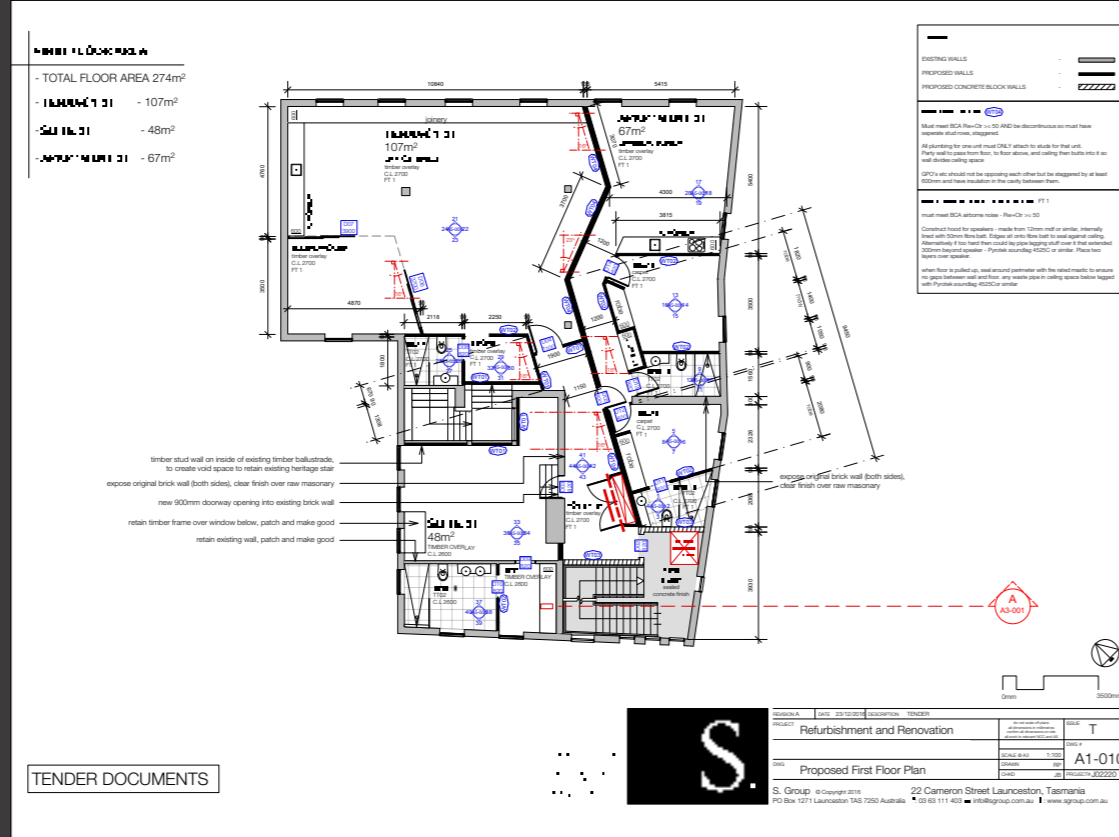
- 1 x 2 BRM Apartment 57 sqm
- 1x Studio Apartment 48 sqm
- 1 x Office Area 110 sqm
- Common area 59 sqm

Total Floor Area 274 sqm

## 2nd Level:

- 1 x 2 BRM Apartment 96sqm + Interconnecting Studio Apartment of 45 sqm = total 141 sqm
- 1 x 2 BRM Apartment 83 sqm
- Common area 50 sqm

Total floor area 274 sqm

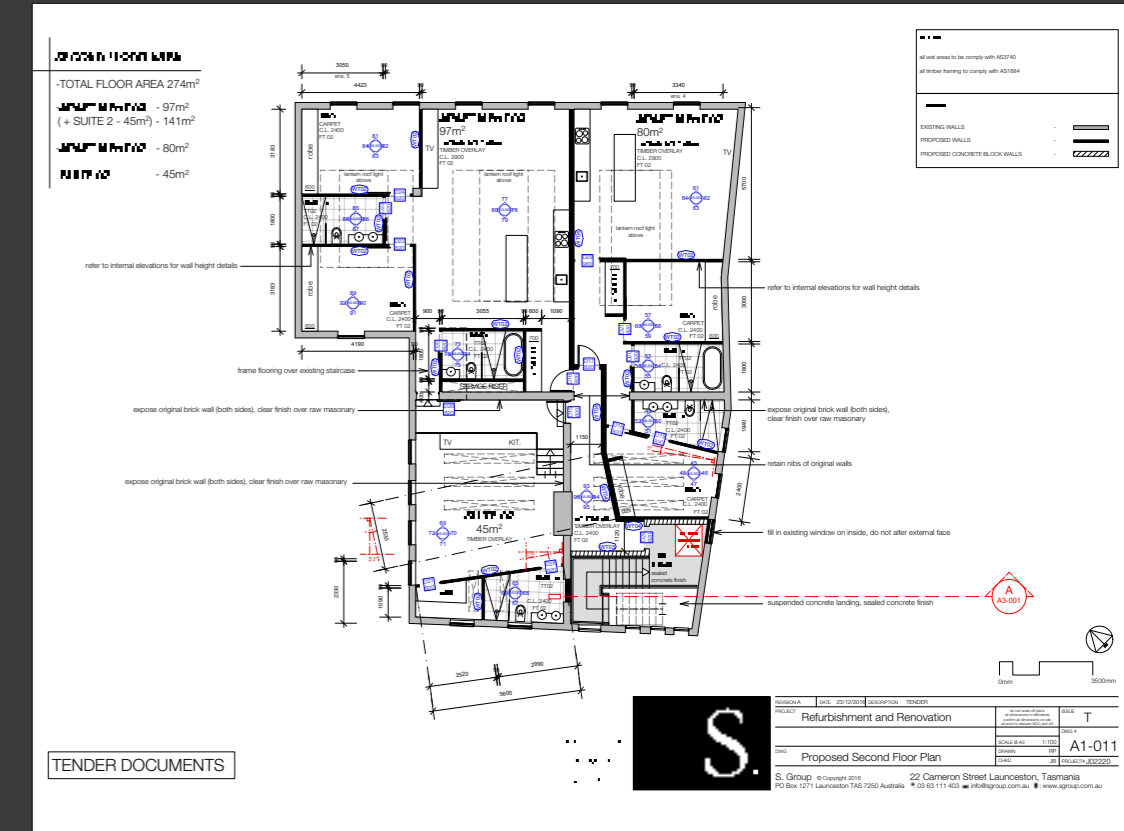


# APPROVED DA & WORK COMPLETED

The plans include the removal of the existing internal timber stairs located at the rear south eastern corner of the building and the installation of new concrete stairs to satisfy fire regulation requirements.

The ground floor tenancy currently occupied by Gorman's was substantially renovated in 2016 prior to its occupancy. This included the gutting of the area, installation of new electrical, laying of a new Tasmanian oak timber flooring, new plaster walls and ceiling etc. A ceiling mounted sprinkler system was installed for this tenancy with dry piping to the first floor to allow connection if, and when, the upper two level development is undertaken. In addition, a booster valve assembly was installed in the Bidecopes Lane which is a key component for a new sprinkler system. On the level 1, leading architects, The S Group, completed a creative fit out fit with new toilets, kitchenette and upgrading of both plumbing and electrical for a modern office. Spending in the vicinity of \$150,000 undertaking their fitout they have been in tenancy for circa 3.5 years and remain in tenancy on a carry-over basis with a planned extension.

Space for the installation of a small lift has been identified and allowed for in the entry stairs to the levels 1 and 2 of the building. The Hobart City Council confirmed that these works met the requirements for substantial commencement of works under the planning permit PLN 16-974, meaning this permit is now permanent and be undertaken at any time with no expiry date. This an asset of the building in perpetuity for the future development of the building.



## APPROVED DA & WORK COMPLETED



Existing top floor

“EVERYTHING OLD CAN BE NEW AGAIN”



Architectural impression of DA plans

## AGENTS COMMENTS

90-92 Murray Street, Hobart provides the perfect acquisition opportunity for investors and or developers to purchase a commercial asset on Hobart's tightly held central retail block with the following pertinent factors:



Landmark CBD commercial property with admired heritage facade



Attractive tenancy profile leased to leading national tenants 'Rodd & Gunn' and 'Gorman'



Located in a prime trading CBD position with outstanding frontage to Murray Street



Substantial holding income plus future development upside with approved and commenced 'DA' for 5 residential apartments and office space.

### ADDITIONAL INFORMATION

Knight Frank has on file further due diligence information available on request to qualified purchasers:

- Lease documentation
- Statutory charges invoices
- Contract of sale
- Development Approval
- Development practical commencement
- Heritage Report
- Asbestos report register

### AGENTS' DETAILS



5 Victoria Street, Hobart TAS 7000



**MATTHEW WRIGHT**  
+61 458 290 588  
matthew.wright@au.knightfrank.com



**SCOTT NEWTON**  
+61 409 186 261  
scott.newton@au.knightfrank.com

## SALE PROCESS & SOLICITORS DETAILS

**90-92 Murray Street, Hobart is being offered for sale by Expression of interest closing on December 10th 2020 at 4pm AEDT.**

Inspections of the property are by appointment only and all parties must be accompanied by a member of the sales team. For further information or to arrange a full inspection of the property please contact Knight Frank.

Prospective purchasers are requested to submit their proposals in the attached Expression of Interest form.

Following the close of Expressions of Interest process, there will be an assessment period during which the Vendor may or may not select a shortlist of parties with whom to further treat.

A copy of the contract of sale is available from the selling agents.

### EXPRESSIONS OF INTEREST

Expression of Interest are required to be lodged in the attached prescribed form.

### VENDOR SOLICITOR'S DETAILS



**Paul Kuzis**

Murdoch Clarke  
10 Victoria Street, Hobart TAS  
PH: (03) 6235 9311

## DISCLAIMER

This Information Memorandum has been prepared as a general outline only for the guidance of potential purchasers. It does not constitute advice, a valuation or an offer or contract by Knight Frank, or any of the vendors or their related entities or associates.

Knight Frank has prepared this Information Memorandum for the private and confidential use of the recipient only. It is not to be distributed or reproduced in whole or in part without the prior written consent of Knight Frank.

This Information Memorandum has been prepared in good faith and with due care. It does not purport, however, to contain all of the information that potential purchasers may require. In addition, it contains information provided by the vendors or third parties, which Knight Frank has not independently verified.

Potential purchasers should not rely on any of the information in this Information Memorandum (including but not limited to figures, calculations, descriptions, photographs, dimensions, references to conditions or permissions for use and occupation) as statements or representations of fact. Areas, amounts, measurements, distance and all other numerical information is approximate only. Any photographs show only certain parts of the property as it appeared at the time they were taken. Except where otherwise indicated, all references to rent, income or price are GST exclusive. Potential purchasers must make their own independent inspection and other enquiries to satisfy themselves as to the accuracy, correctness and completeness of the information. Potential purchasers should also seek independent financial, taxation, accounting, legal and other advice to assist them in making their own decisions and assessment appropriate to their circumstances.

Any projections, analyses or other forward looking information are estimates only, are not representations of future matters and may be based on assumptions that,

while currently considered reasonable, may not be correct. Actual results may vary from projected results (and variations may be material).

No employee, agent or representative of Knight Frank or any of the vendors is authorised to make or give any representation or warranty whatsoever in relation to this property.

To the extent permitted by law, Knight Frank, the vendors and each of their related entities and associates expressly disclaim any liability for any direct, indirect or consequential loss or damage (whether foreseeable or not) which may arise out of or result from any person or entity, or their agents or representatives, acting on or relying upon all or any part of the information contained in this Information Memorandum notwithstanding any negligence, default or lack of care. To the extent permitted by law, the property will be transferred or sold 'as is' and 'with all faults', without any representation or warranty as to its condition, fitness for any particular purpose, or compliance with any relevant law, regulations or codes.

The vendors reserve the right, at their sole discretion, to postpone or cancel the proposed transfer or sale of the property and to modify or add any terms and conditions to any proposed contract, vendors' statement or other material associated with the proposed sale, which may be made available to a potential purchaser.

Nothing in this disclaimer should be interpreted as attempting to exclude, restrict or modify the application of any applicable provisions of the Australian Consumer Law or a person's rights to make a claim in respect of any consumer guarantees or other provisions of the Australian Consumer Law.

# APPENDICIES

EXPRESSIONS OF INTEREST FORM

ZONING TABLE OF USES

*Additional information on request*

# EOI FORM

Expression of Interest Form is to be lodged as follows:

**Attention:** **Scott Newton & Matthew Wright**  
Knight Frank, 5 Victoria Street, Hobart TAS 7000

**Closing Date:** 10 December 2020 at 4pm (AEDT)

**Proposed Purchase**

**Purchaser:**

Name: \_\_\_\_\_ ABN: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**Purchaser's Solicitor:**

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Solicitor: \_\_\_\_\_

Purchaser's Consultant: \_\_\_\_\_

**Proposed Purchase Price: 90-92 Murray Street, TAS**

AU\$: \_\_\_\_\_

In Words: \_\_\_\_\_

Deposit: \_\_\_\_\_

Settlement Terms: \_\_\_\_\_

Conditions: \_\_\_\_\_

(Australian Dollars – Exclusive of GST)





# EOI FORM

In submitting this Expression of Interest form, the Prospective Purchaser specifically acknowledges and agrees that:

1. The Contract of Sale has been reviewed by the Prospective Purchaser.
2. The purchase price of the property, together set out in this Expression of Interest form is based on the acceptance of the Contract of Sale as submitted by the Vendor.
3. If there is any discrepancy between the Contract of Sale and any other documentation made available, the provisions of the Contract of Sale will prevail.
4. The Prospective Purchaser is in a position to exchange Contracts within ten (10) business days of being notified that the proposed purchase price has been accepted, subject to availability of professional services.

In submitting this Expression of Interest, the Prospective Purchaser also acknowledges and agrees that the Vendor specifically reserves the following rights:

1. To accept or reject any Expression of Interest in its absolute discretion, including the highest Expression of Interest made and without having to attribute reasons therefore or to be accountable in any way.
2. To extend the closing date for submissions of Expressions of Interest or accept an offer before close of the Expressions of Interest campaign.
3. To discuss any matter and to deal with any parties submitting an Expression of Interest at any time before or after the closing date.
4. Not to be contractually bound in any way by the submission of an Expression of Interest form signed by a Prospective Purchaser.
5. Not to sell the property

Name: \_\_\_\_\_

Company Title: \_\_\_\_\_

Company Name: \_\_\_\_\_ ABN: \_\_\_\_\_

Signature: \_\_\_\_\_

(Having authority to sign on behalf of the above mentioned company – if purchasing in the name of a company)

Date: \_\_\_\_\_

Contact Details: \_\_\_\_\_

NB: Should you wish to provide any further information, please submit same with this document, ensuring the Purchaser's name is clearly noted on all the annexed documentation for identification purposes.

21.2 Use Table	
<b>No Permit Required</b>	
<b>Use Class</b>	<b>Qualification</b>
Any permitted use	Only if replacing an existing use on the site and there is no associated development requiring a permit
Residential	Only if home-based business
Utilities	Only if minor utilities
<b>Permitted</b>	
<b>Use Class</b>	<b>Qualification</b>
Business and professional services	Except if a bank on the properties at 59-65 Queen Street or 267-275 Sandy Bay Road, Sandy Bay  Except if consulting rooms on the properties at 17 and 19 Gregory Street
Community meeting and entertainment	
Educational and occasional care	Only if above ground floor level, (except for access).
Food services	Except if a take away food premises with a drive through facility  Except if a restaurant or take-away food premises on the properties 59-65 Queen Street, Sandy Bay
General retail and hire	Except if adult sex product shop or supermarket  Except if a shop on the property at 267-275 Sandy Bay Road unless it is ancillary to or in association with the community and fund raising activities of the Church at 275 Sandy Bay Road
Passive recreation	
Residential	Only if above ground floor level (except for access).
Research and development	Only if above ground floor level (except for access).
<b>Discretionary</b>	
<b>Use Class</b>	<b>Qualification</b>

Bulky goods sales	
Custodial facility	Only if a remand centre.
Educational and occasional care	Except if Permitted.
Emergency services	
Equipment and machinery sales and hire	
Food services	Except if permitted  Except if a restaurant, drive through take-away or take-away food premises on the properties 59-65 Queen Street, Sandy Bay
General retail and hire	Except if permitted
Hospital services	
Hotel industry	Except if adult entertainment venue.
Natural and cultural values management	
Research and development	Except if permitted.
Residential	Except if No Permit Required or Permitted.
Service industry	Only if an extension to an existing use.
Sports and recreation	
Tourist operation	
Transport depot and distribution	
Utilities	Except if No Permit Required.
Vehicle fuel sales and service	Must have frontage and access to Sandy Bay Road

Vehicle parking	
Visitor accommodation	Except if camping and caravan park or overnight camping area
	Except if a motel, bed and breakfast accommodation or backpacker accommodation on the properties at 59-65 Queen Street, Sandy Bay
<b>Prohibited</b>	
<b>Use Class</b>	<b>Qualification</b>
All other uses	



90-92 MURRAY STREET, HOBART



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