



Project

- Acquisition
- Sale and lease strategies
- Stratum lot pricing
- Marketing
- Sale and lease negotiations
- Financial model

Background

75 Wharf Street Tweed Heads was identified as the perfect site for a mixed used commercial site. A local agent had marketed the property for more than a year without success. We put the site and concept to our clients the Masada Group, a local Gold Coast developer, who purchased the property in 2007.

Our involvement with Wharf Central then consisted of:

- Site acquisition
- Sizing each of the 40 lots
- Pricing each lot for lease and sale based on current market rents, car park values and capitalisation rates
- Designing and launching marketing material (brochure, price list, press, signage, database, PR, direct mail)
- Negotiation and completion of lease and sale contracts
- Providing project status reports and financials

The Challenge

Whilst the property was purchased at the peak of the cycle, it was built and marketed during the start of GFC. Given the world's financial uncertainty during this period the challenge was to attract high quality tenants for investors and professional owner-occupiers when the market was in confidence turmoil.

Strategy / Solution

The building was marketed as a city style development and affirmed that choosing Wharf Central would provide their business with the exposure and professionalism it deserved (placing them in a better position for business), while delivering clients and staff with the highest quality amenities.

Endorsements in the form of press releases were utilized extensively. Each time a new tenant or owner-occupier completed their documents they were interviewed and a news release sent to the press. Over 20 press releases were distributed during a 2 year period, accompanied by press advertising and updates to the database.

Further affirmation tactics were used via a series of direct mail letters targeted to local businesses highlighting other firms who had joined Wharf Central.

Success

By the opening of the building in March 2009 it was 65% leased or sold with almost half of the space leased to Commonwealth Government tenants including Office of Aging, Fair Trading and a non client Centrelink regional centre. This was despite the building not being fully rated for government tenants. Other tenants included NRMA, a coffee shop, hairdresser, QML, MWS Software and Silver King and Burns, the property's body corporate manager.

The quality of the tenants had resulted in the sale of every leased tenancy to investors. The building attracted professional owner occupiers such as law and architectural firms, financial advisors and psychologists. Even the builder purchased several lots for his business.

By 2011 Wharf Central was 86% sold with the following results:

Number of lots sold:	34
Gross Sales:	\$16 mil
Average Capital Value:	\$4,550/m2

The Centrelink tenancy was sold by Leonie Smith for \$2,750,000, with a capital value of \$3,313/m2 on a yield of 8.38% breaking all records as the largest single strata office sale across the Gold Coast.

In 2012 one of the developers at the Masada group purchased a large storage complex with the assistance of Leonie Smith, thus continuing the relationship built over the previous 5 years.