

Capital Property Funds swoops in \$45m Brisbane office tower deal

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Commercial property reporter
Sydney



601 Coronation Drive was developed by State Development Corp and Ray White Invest, linked to Brian White (pictured). Picture: John Feder

The private Capital Property Funds has swooped on a Coronation Drive office tower in the inner Brisbane suburb of Toowong in a \$45 million deal.

The prominent asset in the city's inner west could provide the basis for a new property fund by the Sydney-based investment company. The purchase price on the A-grade tower equates to a passing capitalisation rate of about 8 per cent.

The deal was brokered by Knight Frank's Ben McGrath and Justin Bond and JLL's Christian Sandstrom and Luke Billiau. They and the parties did not comment.

The building consists of a five-level complex at 601 Coronation Drive. It was developed eight years ago by State Development Corporation and Ray White Invest, a development, finance and syndication company linked to Brian White and other members of the White family who control the Ray White real estate agency franchise.

It was one of four office buildings Mr McKinnon has developed with Ray White Invest.

The asset will likely be pitched to investors as a compelling asset that benefits from exceptional access, exposure and amenity.

Situated within Brisbane's tightest near city office market, the modern 7222sq m property was marketed as an outstanding A-Grade office building.

The tower, with good access to major public transport and retail amenity, is almost fully occupied.

It offers secure income with a 5.2 year weighted average lease to expiry, with a multi-tenant profile of national and global covenants.

The tower has a largely glass facade, balconies providing views of the Brisbane River and the city, and includes environment-friendly features to help keep operating costs down. The large floorplates span 1282sq m and the tower has a 2.5 star NABERS Energy Rating.