

IMPACT !

Ten 7-Eleven Stores Sold at Auction

22 November 2011

SUMMARY

Despite the ongoing global economic uncertainties, Australian retail investment properties within the \$1 - \$3 million have shown resilience as indicated by the recent auction of 7-Eleven stores.

A total of ten converted and rejuvenated 7-Eleven service stations have been sold in the 9th November auction, totalling more than \$26 million. Prior to this auction, there had been more than \$90 million worth of 7-Eleven properties to have sold in the year.

The auction, which was part of a sale program by 7-Eleven, allows the global convenience retail brand to continue operating under 15 year leases along with three by 5 year options. The sale and leaseback will allow the 7-Eleven brand to focus on their core business activities whilst being able to access capital from the sold properties.

The auction attracted interest from private investors, and we assume that many of the successful bidders acquired the properties for their self managed super funds (SMSF). One element driving the current investment demand is the change in tax laws which allows SMSF to borrow financing in order to purchase investment properties – a rule introduced in 2007.

The attraction of acquiring a well located investment property, with a reputable long term tenant, alongside long term cash flows and regular fixed rental reviews has proved popular with all ten properties on offer being sold at auction.

All assets sold in the auction are well located with main road exposure. Zonings vary between the properties with some having underlying potential alternative uses. This could provide for future development opportunities upon the lease expiry.

Sale prices of the assets ranged from \$2.055 million to \$4.6 million with yields ranging from 4.96% to 7.72%.

The sale details are as follows:

238-240 Pacific Highway, Lindfield NSW

sold for \$2.8 million, showing a yield of 5.94%. The building area is 176 square metres which equates to a building rate of \$15,909 per sqm. The site area is 1,708 square metres which equates to a site rate of \$1,639 per sqm.

110 Gymea Bay Road & 353 President Ave, Gymea NSW

sold for \$2.055 million, showing a yield of 6.22%. The building area is 256 square metres which equates to a building rate of \$8,027 per sqm. The site area is 1,708 square metres which equates to a site rate of \$1,639 per sqm.

2 Wilson Street, St Marys NSW

sold for \$2.85 million, showing a yield of 7.48%. The building area is 258 square metres which equates to a building rate of \$11,047 per sqm. The site area is 4,328 square metres which equates to a site rate of \$659 per sqm.

126-128 Old Bathurst Road, Emu Heights NSW

sold for \$2.36 million, showing a yield of 7.72%. The building area is 229 square metres which equates to a building rate of \$10,306 per sqm. The site area is 3,328 square metres which equates to a site rate of \$709 per sqm.

328 Blaxland Road, Ryde NSW

sold for \$2.55 million, showing a yield of 5.95%. The building area is 147 square metres which equates to a building rate of \$17,347 per sqm. The site area is 2,093 square metres which equates to a site rate of \$1,218 per sqm.

22-36 Hume Highway, Lansvale NSW

sold for \$2.435 million, showing a yield of 7.31%. The building area is 170 square metres which equates to a building rate of \$14,324 per sqm. The site area is 4,874 square metres which equates to a site rate of \$500 per sqm.



7-Eleven Service Station
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Lansvale, NSW

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519 Hume Highway, Yagoona NSW

sold for \$2.22 million, showing a yield of 7.42%. The building area is 145 square metres which equates to a building rate of \$15,310 per sqm. The site area is 4,874 square metres which equates to a site rate of \$455 per sqm.

72 Cumberland Road, Ingleburn NSW

sold for \$2.09 million, showing a yield of 7.59%. The building area is 146 square metres which equates to a building rate of \$14,315 per sqm. The site area is 1,728 square metres which equates to a site rate of \$1,209 per sqm.

1408 Pacific Highway, Turrumurra NSW

sold for \$4.6 million, showing a yield of 5.74%. The building area is 223 square metres which equates to a building rate of \$20,628 per sqm. The site area is 2,824 square metres which equates to a site rate of \$1,629 per sqm.

192-196 Kingsway, Woollooware NSW

sold for \$2.4 million, showing a yield of 4.96%. The building area is 168 square metres which equates to a building rate of \$14,286 per sqm. The site area is 2,530 square metres which equates to a site rate of \$949 per sqm.



7-Eleven Service Station
1408 Pacific Highway,
Turrumurra, NSW

SUMMARY TABLE

ADDRESS	SUBURBS	SALE PRICE	YIELD	BUILDING AREA	NET RENT	RENT per SQM
238-240 Pacific Highway	Lindfield	\$2,800,000	5.94%	176	\$166,452	\$945.75
110 Gynea Bay Road & 353 President Avenue	Gynea	\$2,055,000	6.22%	256	\$127,864	\$499.47
2 Wilson Street	St Marys	\$2,850,000	7.48%	258	\$213,164	\$826.22
126-128 Old Bathurst Road	Emu Heights	\$2,360,000	7.72%	229	\$182,316	\$796.14
328 Bixland Road	Ryde	\$2,550,000	5.95%	147	\$151,852	\$1,033.01
22-36 Hume Highway	Lansvale	\$2,435,000	7.31%	170	\$178,092	\$1,047.60
519 Hume Highway	Yagoona	\$2,220,000	7.42%	145	\$164,636	\$1,135.42
72 Cumberland Road	Ingleburn	\$2,090,000	7.59%	146	\$158,588	\$1,086.22
1408 Pacific Highway	Turrumurra	\$4,600,000	5.74%	223	\$263,956	\$1,183.66
192-196 Kingsway	Woollooware	\$2,400,000	4.96%	168	\$119,156	\$709.26

Earlier in the year, another 7-Eleven auction occurred which has been reported by PRP.

To read more please [click here](#)

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