



Sales
Leasing
Valuations
Management

Welly Road ELC

46 Wellington Road, Mt Barker, SA

Information Memorandum

Auction 11am AEST Wednesday 28 June 2017
River Room, Crown Casino, Melbourne





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Investment Features

- Long 15 year lease plus options to G8 Education Limited to 2044
- G8 Education Ltd: largest ASX listed early education provider with over 480 centres nationally and a market cap of \$1.38 billion
- Annual rental reviews plus ratchet provisions (i.e. rent cannot reduce) at market review ensuring guaranteed rental growth
- Tenant pays all usual outgoings including management fees
- Long established and proven business acquired by G8 Education
- Easily managed, single tenanted investments

Address

46 Wellington Road, Mt Barker SA

Term: Fifteen (15) years from 27 June 2014 to 26 June 2029

Options: Three (3) to five (5) years from 27 June 2029 to 26 June 2044

Net Income: \$205,850 pa + GST and outgoings

Method of Sale

For sale by Auction on Wednesday 28 June 2017 at 11am Crown Casino, Melbourne



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Introduction

Burgess Rawson are delighted to offer the freehold interest in a childcare investment located at 46 Wellington Road, Mt Barker, South Australia, and leased to G8 Education. The property will be offered for sale by way of Auction, to be held from 11.00am (AEST) on Wednesday 28 June 2017, at Crown Casino, Melbourne.

Burgess Rawson

Since being established in 1975, our Sales, Leasing, Property Management, Valuation and Advisory services fulfil the complete and ongoing needs of our clients. Burgess Rawson has a network of offices throughout Australia and extensive regional partnerships with local property specialists, giving unmatched depth and reach in all commercial property market sectors.

At every stage of ownership, our clients benefit from our specialist knowledge, experience, market insights and advice. Our strong market position, plus our targeted and effective marketing campaigns through a highly qualified database, generates maximum exposure for properties.

Burgess Rawson's iconic Portfolio Auctions are held in Melbourne and Sydney bringing together a diverse range of national commercial and investment grade properties.

Based on our knowledge and experience, Burgess Rawson are confident in recommending these properties as outstanding childcare investment opportunities.

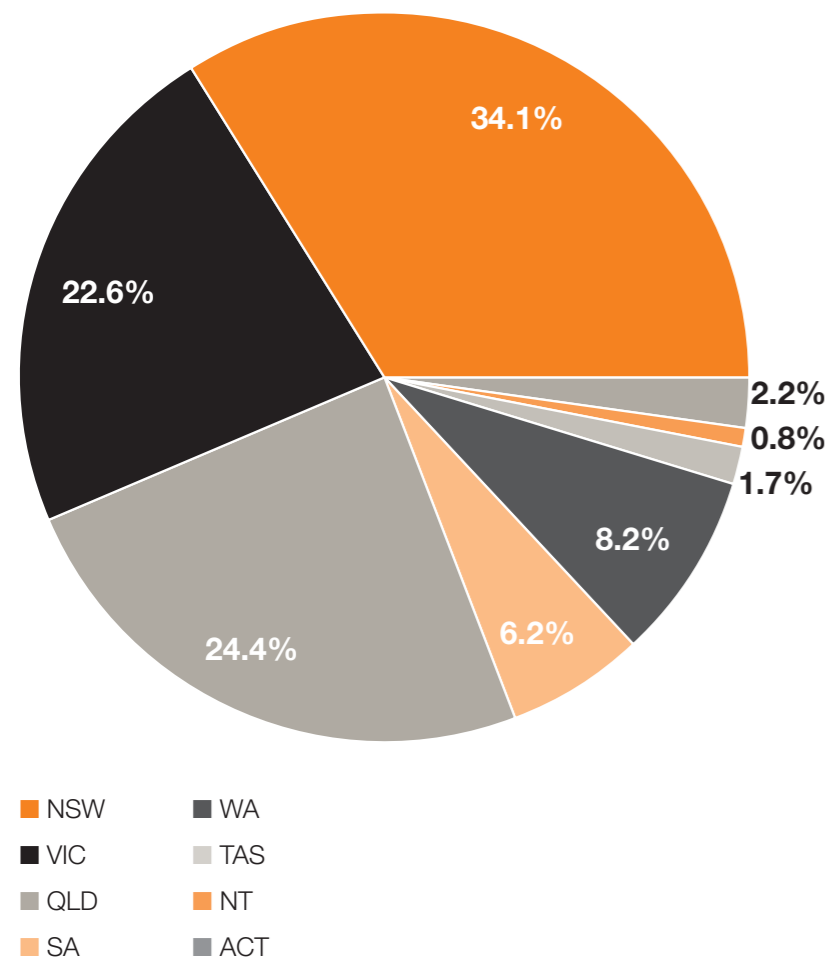


Key Childcare Sector Attributes

According to the Department of Education and Training report for the September 2015 quarter, the future looks bright for childcare investments with over 1.2 million children attending some form of approved childcare service in Australia. This has been steadily growing and has increased by 5.7% on the previous year.

Children using Long Day Care by State and Territory

September Quarter, 2015



According to IBIS World, a baby boom is coming – with the rate of births expected to increase by 6.4% over the next few years as the workforce ages.

The demand is being driven by a number of industry factors including:

- The high cost of living driving parents back to work
- The desire of more women to maintain careers than in the past
- The government's position that female workforce participation is good for the economy.
- The Australian Government subsidises the cost of child care for eligible families through the Child Care Benefit and the Child Care Rebate to help parents with the cost of approved child care.

Under the proposed federal Budget the new Child Care Subsidy will replace both existing government subsidies where families earning up to \$65,000 will be able to receive up to 85% off the cost of their childcare back in subsidies. This rate reduces with higher incomes, with families earning over \$170,000 potentially receiving 50% back.

Nationally, total government recurrent and capital expenditure on childcare services was \$8.6 billion in 2014-15 (an increase of 9.6% from 2013-14). Over the last five years, the average annual growth rate of real expenditure was 10.6% which may push up demand for childcare even further.

Source: ABS and Department of Education and Training

During the September 2015 quarter, the total estimated expenditure on Child Care Benefit and Child Care Rebate was over \$1.8 billion, 64% of which was paid in relation to families using Long Day Care services.



Property Details

Address

46 Wellington Road, Mt Barker SA

Title Details

Lot 382 on Deposited Plan 93863

Site Area

3,345 sqm

Zoning

The land is zoned Local Centre under the Mount Barker District Council Plan

Location

The subject property is strategically located within an established residential precinct and neighbours the Mt Barker IGA and complimentary educational facilities.

Site Description

The subject site is mostly irregular in shape and has the following boundary dimensions:

- Northern boundary 51 m (Wellington Road frontage)
- Western boundary 79 m (Railway Terrace frontage - unsealed)
- Eastern boundary 55 m
- Southern boundary 52 m
- Total area 3,345 sqm

Building Description

A single level facility with service approval for 98 Long Day Care (LDC) places.

Car Parking

26 spaces at grade.

Accommodation includes:

- Reception + office + meeting room
- Five (5) education rooms with direct access to external play areas
- Children's bathrooms
- One (1) cot room
- Disabled unisex WC
- Laundry + storage room
- Kitchen + staff room

Building Construction

- Footings: Reinforced concrete
- Floors: Reinforced concrete slab
- Floor Coverings: Vinyl
- External walls: Brick
- Internal lining: Painted plasterboard
- Windows: Aluminum framed
- Doors: Aluminium framed
- Ceilings: Painted plasterboard
- Roof: Colourbond sheeting

Property Details

Lessee:	G8 Education Limited
Lease Term	Fifteen (15) years
Lease Commenced	27 June 2014
Lease Expiry	26 June 2029
Options	Three (3) further terms of five (5) years to 26 June 2044
Outgoings	All outgoings paid by the tenant including management fees
Rent Reviews	Fixed 4% annual increases plus 'ratchet' provisions at market review ensuring the rent cannot reduce
Security	Bank guarantee equal to three (3) months' rent
Net Income	\$205,850p.a. plus GST and Outgoings

Tenant Profile



G8 Education^{ltd}

G8 Education Limited (ASX: GEM) listed on the Australian Securities Exchange on 5 December 2007 is the largest ASX listed early education centre provider in Australia, with a current market capitalisation of \$1.38billion.

G8 currently owns and operates over 480 centres nationally and their premium brands include:



For further details please visit: www.g8education.edu.au

Location

The District Council of Mount Barker is located 35 kilometres east of the Adelaide CBD and covers 15 townships and urban areas within an area of approximately 595 square kilometres. Significant growth is occurring within the Adelaide Hills with an anticipated population growth of approx 44% by 2026.



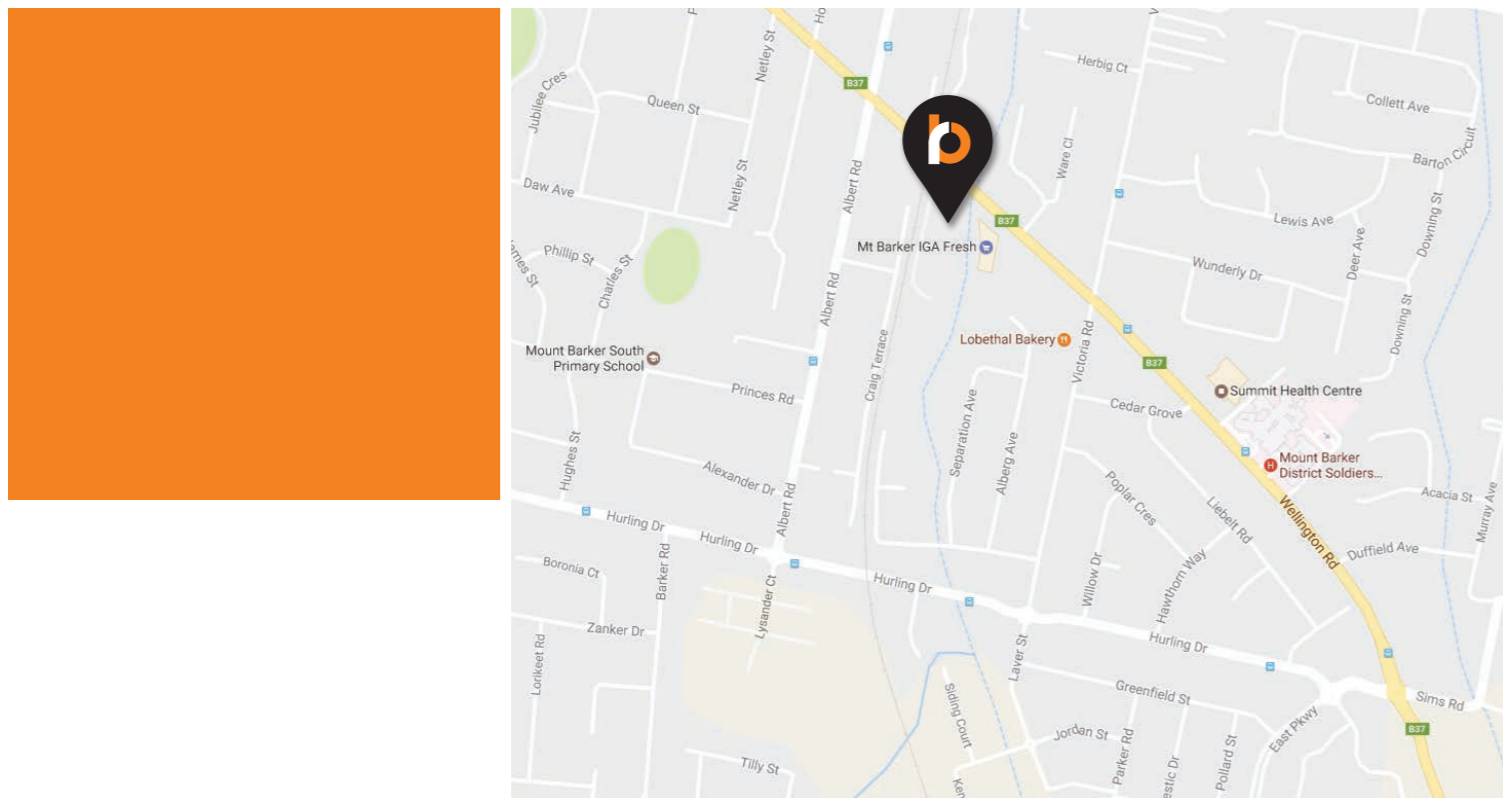
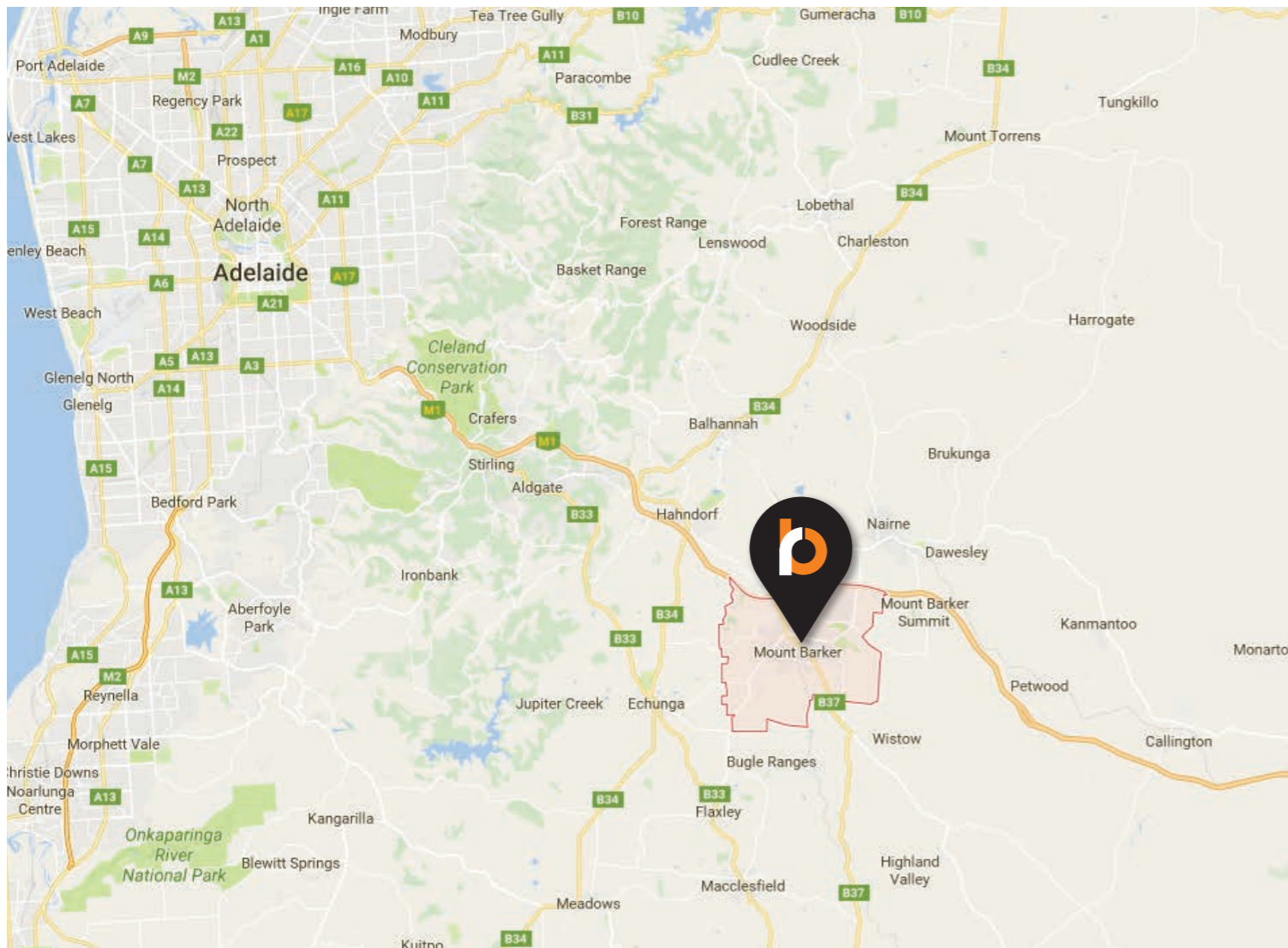
Mount Barker is the largest township in the Adelaide Hills and operates as a regional service centre for the central Mount Lofty Ranges Region, providing a wide diversity of retail, commercial, institutional and business activities and services. Mount Barker, along with the townships of Littlehampton and Nairne are experiencing high and sustained growth which is likely to continue for the foreseeable future.

The District currently has above average proportions of children and young people, and this is likely to continue as new homes are marketed toward first home buyers and young families. In 2011, family households with dependent children made up 45.4% of all District households, compared with 39.5% in Greater Adelaide.

Council estimated that the existing capacity of the current preschools, primary and secondary schools would not be able to accommodate the growth in demand that will result from development in the Mount Barker growth area. Council has since estimated there is potential demand for up to five pre-schools, five primary schools and two secondary schools, based on a total population of 50 000, and has identified preferred sites in the Mount Barker growth area for these new schools.

Source Burgess Rawson Research,
www.forecast.id.com.au and
www.mountbarker.sa.gov.au





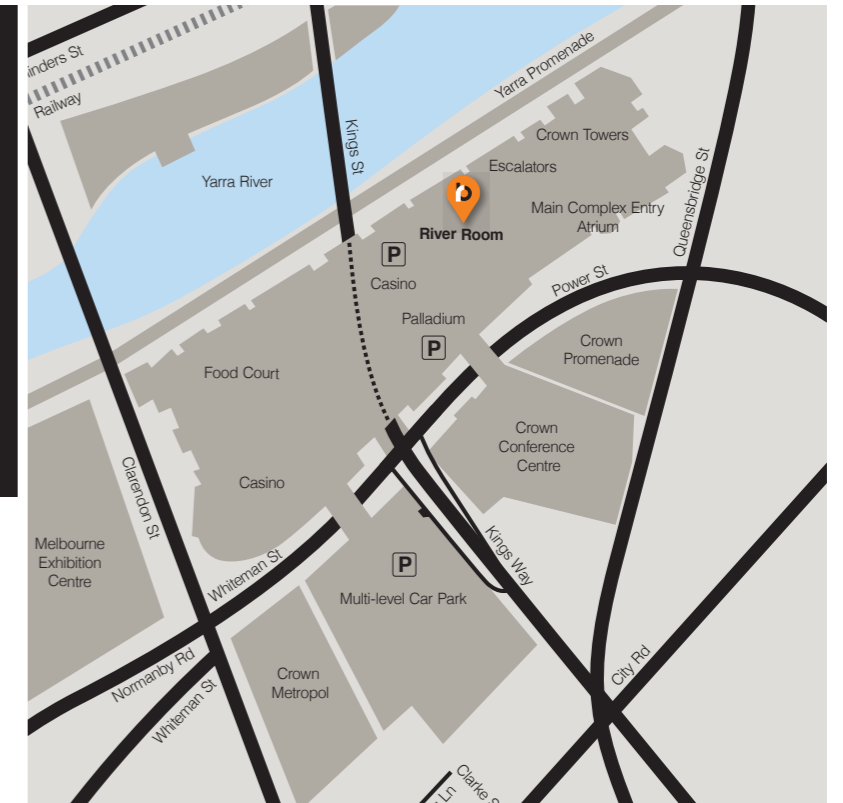
Sale Process

Method of Sale

Each property will be offered separately for sale by Auction:

Auction Wednesday 28 June 2017 at 11am

River Room, Crown Casino, Melbourne VIC



Inspections

Each property will be open for inspection at a time to be advised. Please contact the agents to register your interest and confirm inspection times.

Interstate Bidding

Interstate bidding is available strictly by prior arrangement at one of Burgess Rawson's interstate offices.



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Property Management

Burgess Rawson is not only a market leader in investment sales; we are also regarded as highly professional property managers. With an Australia-wide management portfolio of well in excess of \$2billion, we are able to equally manage property whether it is CBD, metropolitan or regionally located.

- More than Rental Collection - care for your property and investment. Professional property management enhances and secures your tenant relationship, provides property accounting (including tax invoicing/GST/BAS) reports and maximises rental. We take the weight off your shoulders.
- Achieve \$ savings - through our buying power and access to the best providers: insurance brokers, maintenance contractors etc. We have the contacts and long standing relationships to be at your disposal.
- Improve your cash flow - Apart from ensuring regular rental increases are enacted to maximum sustainable levels, a professional property manager reviews council rating values, as well as accessing the best taxation depreciation assessment to improve your after income tax bottom line. We aim to add more to your overall capital value.
- Not missing a beat - With our daily contact in the market, we hear about new developments, tenants on the move etc. Whether this information helps protect your investment or leads to further opportunities, we have our ears to the ground.
- Problem solvers Owning property has never been more complicated, and highly regulated. We are fully conversant with the Retail Tenancies Act, Town Planning and Occupational Health and Safety Regulations. We can anticipate and prevent problems.
- Experience and involvement - Our professional property managers offer a wide range of expertise. Time in the profession, and continuous improvement and involvement in the property sector is an intellectual pursuit. We can provide a pool of such experience to individual clients in a way we believe self-managed property owners cannot.
- Value for money - free yourself up to concentrate on the returns of your investments, rather than the daily issues which can arise from your property. The small cost involved in professional management is money well spent. We have the resources to service your needs.

To discuss your particular property management's needs, please contact either your Burgess Rawson selling agent or Ingrid Filmer today.



Ingrid Filmer

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Property Management Department
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Disclaimer

The information contained in the report/information memorandum has been prepared in good faith and due care by the Vendor, Burgess Rawson. Any projections contained in the report therefore, represent best estimates only and may be based on assumptions.

The information contained herein is supplied without any representation as to its truth or accuracy. All interested parties should make their own enquiries to satisfy themselves in all aspects and obtain their own independent advice in order to verify any of the information. All stated dimensions and areas are approximate.

The vendor does not represent or warrant the accuracy of any information contained in this document. Subject to any statutory limitation on its ability to do so, the vendor disclaims all liability under any cause of action, including negligence, for any loss arising from reliance on this document.

Specifically, we make the following disclosures:

- All areas, measurements, boundaries, car space numbers, rents are approximate only and subject to final confirmation;
- The indicative depreciation schedule has been provided by Napier & Blakeley and is an estimate only and cannot be used for tax purposes.

The information contained in this document is provided as a guide and an aid to further investigation by potential purchasers. Prospective purchasers should seek legal, financial and other appropriate expert advice in order to verify the accuracy of the information presented in this document

GST Disclaimer

Burgess Rawson advises that the financial information in this report relating to income, outgoings and the like is provided without reference to the possible impact of GST, if any. Purchasers should make their own assessment of the impact of GST on the investments and the returns derived there from after obtaining expert professional advice.

Title



Product Register Search (CT 6142/784)
Date/Time 29/05/2017 12:01PM
Customer Reference TB - Mt Barker
Order ID 20170529005489
Cost \$27.75



The Registrar-General certifies that this Title Register Search displays the records maintained in the Register Book and other notations at the time of searching.



Certificate of Title - Volume 6142 Folio 784

Parent Title(s) CT 6139/724
Creating Dealing(s) DDA 12163585
Title Issued 12/08/2014 Edition 2 Edition Issued 12/04/2017

Estate Type

FEE SIMPLE

Registered Proprietor

JUICE ASSETS PTY. LTD. (ACN: 168 782 198)
OF 352 BAY ROAD CHELTENHAM VIC 3192

Description of Land

ALLOTMENT 382 DEPOSITED PLAN 93863
IN THE AREA NAMED MOUNT BARKER
HUNDRED OF MACCLESFIELD

Easements

SUBJECT TO SERVICE EASEMENT(S) OVER THE LAND MARKED G ON DP 93863 FOR DRAINAGE PURPOSES TO THE COUNCIL FOR THE AREA (223LG RPA)

Schedule of Dealings

Dealing Number	Description
12156019	LEASE TO G8 EDUCATION LTD. COMMENCING ON 27/6/2014 AND EXPIRING ON 27/6/2029 AT 1 AM
12156022	MORTGAGE TO NATIONAL AUSTRALIA BANK LTD.

Notations

Dealings Affecting Title	NIL
Priority Notices	NIL
Notations on Plan	NIL
Registrar-General's Notes	NIL
Administrative Interests	NIL

Lease Schedule

20 Reference Schedule

Item 1	Landlord CELESTITE PTY LTD ACN 106 663 718 of 84 High Street, Rockhampton QLD 4700
Item 2	Tenant G8 EDUCATION LTD ACN 123 828 553 of 159 Varsity Parade, Varsity Lakes QLD 4227
Item 3	Premises The whole of the land comprised in Certificate of Title Volume 6139 Folio 724
Item 4	Commencement Date 27 June 2014
Item 5	Termination Date 26 June 2029 (subject to the terms of this Lease)
Item 6	Term Initial term of fifteen (15) years
Item 7	Option to Renew Three (3) further terms of five (5) years each
Item 8	Rent As and from the Commencement Date, the Rent for the first year of the term shall be calculated and paid monthly in advance representing 12% of the prior months gross income of the Child Care Centre conducted by the Tenant in the Premises plus GST, and otherwise upon the terms contained in Special Condition 1 of Item 15 below.
Item 9	Review Dates On each anniversary of the Commencement Date the Rent shall be increased by 4% per annum fixed increase provided for in clause 4.11 <u>Option Terms</u> On each anniversary of the Commencement Date, other than the first year of each further term, the Rent shall be increased by fixed increases of 4% per annum.
Item 10	Market Review Dates On the commencement of each further term (if any)
Item 11	Permitted Use of Premises Child Care Centre
Item 12	Bank Guarantee Amount Three (3) months' rent plus GST, which guarantee shall contain an expiry date which is a date 6 months after the last term
Item 13	Guarantor Not applicable
Item 14	Land The whole of the land in Certificate of Title Volume 6139 Folio 724
Item 15	Special Conditions

Lease Schedule

1. All rental payments will be calculated on the basis of the previous month's gross income from the Child Care Centre conducted by the Tenant in the Premises, and for the first month of the Term, shall be based on the gross income of the business conducted by the previous Tenant in the Premises, for the month immediately prior to the Commencement Date. Such calculations will be provided monthly by the Tenant to the Landlord in writing, with respect to the Rent to be paid in advance to the Landlord by the Tenant, and will incorporate particulars of the gross income received for the prior month (including, without limitation copies of all documentation evidencing the gross income of the Tenant's (or previous Tenant's) business reasonably required by the Landlord). In the event the Landlord disputes or queries the gross income as disclosed by the Tenant, the Landlord may at its discretion and its cost, seek and obtain an audit of the disputed gross income by the Landlord's nominated auditor. In the event the auditor so nominated determines there is a shortfall of 1.5% or more between the stated gross income and the gross income determined by the auditor, the Tenant shall pay the shortfall to the Landlord on demand, together with the rent unpaid and the costs of the audit. In such an event, the Landlord shall also be entitled to have all previous gross income calculations supplied by the Tenant audited, at the Tenant's cost, on the same basis as set out above, including, without limitation, any determined shortfalls in payments by the Tenant being payable as one sum, to the Landlord, upon demand.
2. For the purposes of Special Condition 1 above, "gross income" shall mean all income received by the Tenant in respect of the Child Care Centre conducted by the Tenant in the Premises, exclusive of GST, prior to the deduction of any costs or expenses whatsoever (except GST).
3. For the purposes of the first review of Rent on the first anniversary of the Commencement Date of this Lease, the aggregate monthly instalments paid by way of Rent for the period of the year leading up to that first review date, will constitute the base Rent for the purposes of that review.

Lease Variation

Form E2

MEMORANDUM OF EXTENSION OF LEASE

LEASE BEING EXTENDED

Memorandum of Lease dated 25 / 6 / 2014 between Celestite Pty Ltd ACN 106 663 718 and G8 Education Ltd ACN 123 828 553 lodged contemporaneously herewith

CERTIFICATE(S) OF TITLE OVER WHICH LEASE IS REGISTERED

The whole of the land comprised in Certificate of Title Volume 6139 Folio 724

LESSOR (Full name and address)

JUICE ASSETS PTY LTD ACN 168 782 198 of 352 Bay Road, Cheltenham Victoria 3192

LESSEE (Full name and address)

G8 EDUCATION LTD ACN 123 828 553 of 159 Varsity Parade, Varsity Lakes Queensland 4227

CONSIDERATION (Words and figures)

By mutual agreement and no monetary consideration

TERM

FOR THE ABOVE CONSIDERATION THE TERM OF THE ABOVE MEMORANDUM OF LEASE SHALL BE EXTENDED:

COMMENCING ON 12.00AM ON 27 JUNE 2029

AND

EXPIRING ON 1.00AM ON 27 JUNE 2029

UPON THE SAME TERMS AND CONDITIONS AS ARE EXPRESSED OR IMPLIED IN THE ABOVE MEMORANDUM OF LEASE EXCEPT WITH THE VARIATIONS FOLLOWING: (See page 2)

CONSENTS

National Australia Bank Limited ACN 004 044 937 as Mortgagee of the Land under Memorandum of Mortgage lodged contemporaneously herewith consents to this Extension of Lease