

## PROPERTY

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## Countercyclical moves

■ Marissa Lague

Cape Bouvard Investments has re-purchased the building at 12-14 The Esplanade for \$51 million as part of a countercyclical strategy in the CBD office market.

The private investment company sold the 12-storey building nine years ago for \$49 million.

"Perth's office market has gone through a cycle in that time and we are picking it up at a price pretty close to what we sold it for nine years ago," Cape Bouvard general manager Lee Pinkerton said.

"From a countercyclical play, we are positioning ourselves for the future upturn."

The \$51 million deal settled in December, representing a passing yield of 9 per cent.

Ownership of the building changed twice in the intervening years and the vendor was JPMorgan for the Aviva Fund.

Mr Pinkerton said Port Bouvard was looking for other office properties in Australia.

"We are still in the market but we are not wedded to any particular market, it's more about individual assets and where we can find value and prospects of a reasonable return," he said.

"There is a weight of capital chasing assets on the east coast and though fundamentals have



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improved and are looking better than in Perth at the moment, it's harder to find value there."

With an average lease expiry of about three years, Mr Pinkerton said Cape Bouvard was confident the building would benefit from the flight to quality under way in the Perth office market.

"The Esplanade frontage also makes the asset close to capital works including Elizabeth Quay and in time it will benefit from that as well," he said.

"We were happy with the financial return it generated and we have factored the current state of the market into our cash flow assumptions."

Savills agents Paul Craig and Chas Moore negotiated the sale.

The building has 138 car bays and an occupancy rate of 92 per cent.

The building's 7957sqm of office space has typical floor plates of 1050sqm.



Still in the market: Cape Bouvard has repurchased 12-14 The Esplanade.