

Brand New Childcare Centre sells for \$4.43m, under the hammer.

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This brand new 96 place licensed purpose-built childcare centre located at 29 Morwell Street, Yanchep was auctioned this morning and saw 3 parties bid for the sought-after investment.

Yanchep: approximately 50km north from the Perth CBD and Australia's third fastest growth suburb with a 29% increase in population from 2015-16 (source: ABS)

The site is located in a strategic position opposite brand new \$57m High School, and 200m from McDonald's and Woolworths anchored Yanchep Central Shopping Centre

Selling agent Chris Geers said the marketing campaign "drew interest from across the country and from off shore and that this transaction highlights the attractiveness of Childcare Centres as investment assets."

The hammer finally fell in favour of an off-shore investor after 13 strong bids for a record yield of 6.32% and achieving a record sale price for a free-hold Childcare Centre in Western Australia.

For more information on Childcare Centre investments in WA contact Chris Geers.

The West Australian - 28 February 2018

Swan View sale signals childcare boom

■ Helen Shield

A better-than-expected \$1.2 million price for a Swan View childcare centre has prompted Burgess Rawson's childcare expert Michael Vanstone to declare Perth's market an investor's dream.

The Little People's Retreat operated by Affinity Education Group in Swan View sold in Burgess Rawson's portfolio auction, on a yield of 6.1 per cent.

"The appealing location,

secure lease and annual 3 per cent rent increases, coupled with Swan View's appeal as a bustling hub for families resulted in an extremely strong sale price and even stronger yield at auction," Mr Vanstone said.

"Selling for an impressive \$1.2 million, the yield of 6.1 per cent was significantly tighter than expected and could be a sign of what's to come in Perth's childcare market."

He said the childcare asset

class was performing "extremely well" and there had never been a better time to invest in the Perth market.

Ray White Commercial's head of research Vanessa Rader, who has published research on the sector, said it was easier to get finance for childcare assets than service stations.

"The long-term need for child care across the State (WA) adds urgency and interest to this somewhat new asset class," she said, adding

that east coast yields in the sector were as low as 3.5 per cent compared with the 7 per cent yields in WA that were likely to fall in the short-term.

Burgess Rawson presided over childcare property asset transactions valued at more than \$220 million last year.

The Little People's Retreat, at 31 Balfour Road, has a net income of \$73,431 a year plus GST with a 10-year lease to Affinity Education Group until January 2025.