

# **Commercial Property Cash-flow Masterclass**

## **Uplift Property Examples - Newcastle NSW**

Welcome to your Masterclass series. This Masterclass we are taking a look at Uplift Example Properties, what to look for and how to approach an uplift strategy.

### **Property Uplift Strategies**

#### **How To approach and uplift property strategy.**

##### **Time**

- Uplift strategies, will require your time, that means time and effort to complete the project or oversee it.
- It also means time, where a property is Vacant.
- This could be right up front when you purchase a vacant property and you plan to uplift immediately.
- It may mean time over the course of planned years, where the property is either partially tenanted and vacant and you will uplift the vacant part first.
- Or it may be fully tenanted, but you plan to have the lease end naturally and then uplift.
- How much time can you afford to spend on the uplift and then re-tenanting, before you run out of cash or loan time.

##### **Numbers and Financing:**

- Know your numbers... know what cash you have on hand, to put towards the uplift and refurbishment.
- What will the bank include in your loan to be put towards your refurbishment
- Calculate all the vacant months and add this to your cost calculations for the property outgoings that you will be responsible for.
- Remember to include insurance / land tax cost
- Add the cost required to market your property to find a new tenant, once you have refurbished / renovated it.

##### **What is your end goal?:**

- Know your end goal for the property.
- Is this an uplift to sell soon, for a “chunk of cash” for your next property deal?
- Or is this an uplift project to increase the yield on a good property and build your portfolio?

### What is the work involved for this project?:

- Is it simple and manageable by you and some tradespeople? Eg. Simple painting and carpets / flooring and internal partitions.
- Or does it require building work and council approvals etc? Do you require structural building work, additions etc.
- Who will do the work? You- Pay Trades, Painters, Carpenters, Plasterers etc?
- Create a timeline for the project - then add some buffer, in case it takes longer to make sure you have the finance to complete the project and move forward.

## Property Examples In or Near Newcastle- NSW

### 252 Maitland Rd, Mayfield, NSW 2304

\$685,000 + GST if applicable

Land area 266.0m<sup>2</sup>

Floor area 400.0m<sup>2</sup>

Vacant Possession

- 2 buildings with a total area of approx. 400 sq/m
- Ex bakery retail shop including all equipment & fitout
- Residential flat above, open deck area & lease back option
- Separate 2 level building at rear with street frontage
- A huge add value site ready for upgrade to increase value
- Main rd frontage with side street access to rear building



## Possible Options for Uplifting This Property

### Shopfront:

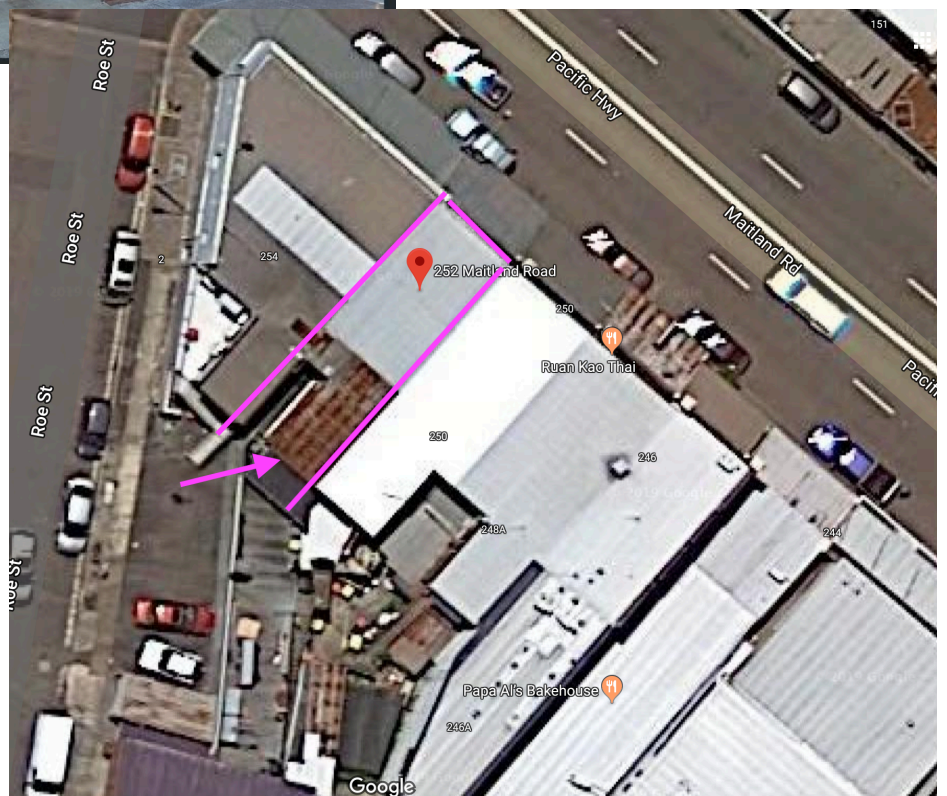
- Change the external brick cladding on the front facade, to open up the shopfront windows for new tenant. Ie, give them more street front openness and appeal.

### Upstairs

- Turn the residential upstairs into offices. See what needs to be gutted eg perhaps kitchen - or modified to a small kitchenette
- Remove showers and baths, but keep toilet and hand basins.
- Segment into as many office spaces as a you can, with communal access to toilet.

### Back Building?

- Find out what this is... what council approval is in place for commercial use
- This could be more office space- or some storage that you could lease out to a new bakery tenant.





## Level 1, 123 Scott Street, Newcastle, NSW 2300

### Office

\$930,000 + GST

Floor Area: 224.0m<sup>2</sup>

Zoning: B4 Mixed Use

Vacant Possession

- Professional fit-out
- Great location
- Secure undercover parking for 4 vehicles
- Prestigious commercial suite occupying the entire first level, overlooking Newcastle Harbour. With abundant natural light throughout, quality finishes and fit-out, this suite features:
- Secure lift access with intercom system
- Reception/waiting area
- Functional open plan work area
- Large Boardroom
- 3 separate offices
- Kitchen/Lunchroom
- Separate unisex disabled toilet
- Air-conditioning, data-cabling and carpet throughout
- 4 secure undercover car spaces





- Conveniently located opposite the new light rail station, this property is a short stroll to Newcastle Harbour and Beach, enjoying close proximity to Newcastle Mall, cafes and restaurants.

### Possible Options for Uplifting This Property

- Create several offices from this space - possibly up to 5 offices.
- Create a common corridor and access to common areas- kitchen, toilet.
- Find out about the “Distribution Board” and if it can be relocated
- Find out what rental income per square meter, offices will rent for, in this location- with views- Note... our floorplan will have 2 offices with no views or natural light
- Find out costs for internal wall (can you add a glass brick wall to add natural light to one of the back offices?)
- Add timers to commons area lights
- See if can have separate electrical meters for each office. Otherwise use a % of space to calculate electricity costs for each office.

