

P R E S S R E L E A S E

4 February 2010

ALH PUB INVESTMENT OFFER LONG TERM WEALTH IDEAL FOR SUPERANNUATION AND FAMILY INHERITANCE

Whilst ALH Pubs are an excellent investments offering security from 25 year leases, there is the added potential for substantial capital appreciation when market rent reviews come into effect and in some cases even greater gains if options to renew are not exercised.

“ALH have and continue to do an outstanding job of materially improving the profitability of the hotels and many are currently under their respective market rent level. This bodes well for future market rent reviews” said Raoul Holderhead, a Director of Burgess Rawson.

“With many of the ALH pubs being on prominent inner city corners and outer suburban hotels on large sites, investors have the opportunity for substantial capital gain in the longer term reflecting redevelopment potential of the properties concerned” explained Raoul Holderhead, a Director of Burgess Rawson.

“A prime example is the Elsternwick Hotel which sold in June 2009 for \$6,225,000 reflecting a yield of 5.04%. On a prominent site of 4,388m², close to Elsternwick railway station and Glenhuntly Road retail shopping strip, the property, if vacated by the tenant, would be a site suitable for a prestige high density residential development. Even today, where could you buy such a site for just over \$6,000,000?” added Joel Fisher, a Director of CB Richard Ellis.

Another example was the sale of the ALH hotel at Sunnybank, a Brisbane suburb en-route to the Gold Coast. On a huge site of 27,500m², the property sold for only \$11,100,000 whilst the government’s unimproved capital value of the land was at \$18,000,000.

Although the investor has to wait until the lease expires, he has in the meantime a secure, lower risk investment. The management of the property is largely about receiving 12 rent cheques per year and advising the tenant what impact the CPI rent increase is each November. Such properties are particularly ideal for self-managed superannuation funds and for succeeding family generations.

Burgess Rawson, in conjunction with CB Richard Ellis, is marketing seven more ALH leased freehold pubs, of which three are in Brisbane and four in Melbourne. The Melbourne properties will be auctioned at the Crown Casino on 24 February and the Brisbane properties at the Polo Club on 3 March 2010. Prices are expected to range from as low as \$4,700,000 to as much as \$11,000,000 on investment yields averaging around 6.25% to 6.75%. The seven freehold properties may be the last offering by the ALE Property Group from its large portfolio of pubs leased to ALH.

For further details contact Graeme Watson of Burgess Rawson on (03) 9613 0404