

12 Saunders Street

Colac East, VIC



Presenting an exceptional investment opportunity in the heart of Colac's premier industrial precinct - a fully leased industrial facility with a purchase price of \$1.4 million.

This well-maintained industrial property encompasses 1,575 sqm of lettable area spread across three bays on a generous 3,870 sqm freehold site with low 41% site coverage. Strategically positioned just 100m from Princes Highway and only 2km from Colac CBD, the property offers excellent accessibility and exposure to the 11,000+ vehicles passing daily.

Currently 100% leased to three long-standing local businesses - Reality Kitchens, Halls Concrete & Construction, and Colac Glass & Screens - providing a secure income stream of \$94,362 p.a. + GST. All tenants are well-established in the local market with each having operated for 10-30+ years in their respective industries, creating genuine income security.

The property features a well-constructed steel warehouse divided into three distinct bays, each with 6-8m clearance height and practical office amenities. The tenant-friendly layout maximizes functionality while ensuring long-term operational efficiency. With tenants responsible for most outgoings, the investment delivers strong landlord-favorable net leases with minimal management requirements.

Located in Colac's growing industrial hub surrounded by major businesses including Dulux Trade Centre, AKD Softwoods, and numerous others, this investment benefits from the region's robust economic fundamentals. The Colac Otway Shire generates over \$4.5 billion in annual economic output with manufacturing being the largest sector at \$1.4 billion.

This is a genuine opportunity to secure a solid industrial investment with established tenants, strong covenants, and excellent fundamentals in a growing regional location.

Key Information

Investment Type	Industrial
Purchase Price	\$1,400,000
Net Yield	6.25%

Key Highlights

- Prime freehold industrial investment with three established local tenants
- Substantial 3,870 sqm landholding with attractive 41% site coverage providing future development potential
- Strategic location just 100m from Princes Highway with 11,000+ vehicles passing daily
- Quality tenant mix of established local businesses with 10-30+ years trading history
- Well-structured leases with fixed 3% or CPI annual increases ensuring income growth
- Multiple lease extension options providing long-term income security to 2033-2037
- Versatile industrial warehouse with high 6-8m clearance heights throughout
- Excellent accessibility just 2km from Colac CBD in the heart of the industrial precinct
- Located in a growing regional center midway between Geelong and Warrnambool
- Solid net income of \$87,608 + GST after minimal non-recoverable outgoings
- Attractive investment fundamentals with all outgoings except land tax and management paid by tenants
- Potential 50% Stamp Duty Concession - Providing an upfront saving of \$38,500

Background Information

How old is the asset?	21
Vendors reason for selling?	Cashing Out
How many days the property has been on the market with the selling agents?	Not specified
Is the property strata titled?	No
Are the seller & tenant related parties?	No
How long has the current tenant been on-site?	10 None
How long have they been in business overall?	30 None
Is the property in a flood zone?	No
Is this lease a leaseback arrangement?	No

Location Information

Colac East is situated within the thriving Colac Otway Shire, a diverse region spanning from volcanic lakes and crater chains in the north through the Otway Ranges to the iconic Great Ocean Road coastline.

The property enjoys **strategic positioning within Colac's dominant industrial precinct**, home to major businesses including Dulux Trade Centre, AKD Softwoods (Australia's largest softwood processor), CCP Civil & Precast, and numerous others - all within 1km.

With excellent accessibility just 100m from Princes Highway, the main transport route connecting southwest Victoria to Geelong and Melbourne, the location benefits from exposure to over 11,000 passing vehicles daily. The Colac CBD is just 2km away, providing convenient access to all amenities.

Colac serves as **an important commercial hub midway between Geelong and Warrnambool** with a trade catchment of over 32,000 people extending to the Great Ocean Road. The region boasts a robust economy generating over \$4.5 billion annually, with manufacturing being the largest sector at \$1.4 billion.

The area is well-supported by major retailers including Woolworths, Coles, Kmart, Bunnings, ALDI, and Supercheap Auto, making it a comprehensive regional service center.

Tenant Information

The property is fully leased to **three established local businesses**, each with extensive operating history in Colac:

Reality Kitchens (Bay 1 - 625 sqm)

- Leading joinery provider established in 2003 with over 30 years industry experience
- Specializes in design, manufacture and installation of premium kitchens and cabinetry
- Services clients across greater Colac, Geelong and Surf Coast regions
- New 3-year lease commencing April 2025 with options to 2034
- Fixed 3% annual rent increases providing guaranteed growth

Halls Concrete & Construction (Bay 2 - 550 sqm)

- Locally owned and operated with over 10 years industry experience
- Leading provider of concrete and civil construction solutions
- Specializes in residential, commercial and large-scale civil projects
- New 3-year lease commencing March 2025 with options to 2037
- Annual CPI rent reviews

Colac Glass & Screens (Bay 3 - 400 sqm)

- Family-owned business established in 2003 with over 30 years industry experience
- Provides custom glass and screen solutions for residential and commercial clients
- Current 3-year lease to February 2027 with options to 2033
- Annual CPI rent reviews

All tenants maintain **strong local reputations and demonstrated commitment** to the Colac region, providing excellent covenant strength and lease security.



Financial Overview

This investment offers compelling financial metrics with a purchase price of \$1.4 million generating a total **gross income of \$94,362 p.a. + GST** across three secure tenancies:

The investment features landlord-favorable lease structures where tenants are responsible for their proportion of outgoings including council rates and insurance premiums. The minimal non-recoverable expenses are limited to:

- Land Tax: \$2036 p.a.
- Property Management (5%): \$4,718 p.a.

This results in a robust **net income of \$87,608 p.a. + GST** after all non-recoverable outgoings.

Income growth is secured through structured rent review mechanisms with Reality Kitchens on fixed 3% annual increases while both Halls Concrete and Colac Glass & Screens feature annual CPI reviews. All leases include market reviews at option exercise, ensuring the investment maintains pace with market conditions.

Lease Overviews:

Reality Kitchens (Bay 1 – Front)

- Lettable Area: 625 sqm
- Lease Term: 3 years (1 Apr 2025 – 31 Mar 2028)
- Remaining Current Term: 2 years, 11 months
- Options: 2 x 3 years (to 2034)
- Annual Rent: \$37,500 + GST
- Rent Reviews: 3% fixed annually
- Market Review: At option exercise
- Outgoings: By tenant except prop. management & land tax
- Retail Leases Act Applies? Yes
- Security: Personal Guarantee

Halls Concrete & Construction (Bay 2 – Middle)

- Lettable Area: 550 sqm
- Lease Term: 3 years (16 Mar 2025 – 15 Mar 2028)
- Remaining Current Term: 2 years, 11 months
- Options: 3 x 3 years (to 2037)
- Annual Rent: \$33,800 + GST
- Rent Reviews: CPI annually
- Market Review: At option exercise
- Outgoings: By tenant except prop. management & land tax
- Retail Leases Act Applies? Yes
- Security: No Security Stated

Colac Glass & Screens (Bay 3 – Rear)

- Lettable Area: 400 sqm

- Lease Term: 3 years (1 Mar 2024 – 28 Feb 2027)
- Remaining Current Term: 1 year, 10 months
- Options: 2 x 3 years (to 2033)
- Annual Rent: \$23,062 + GST
- Rent Reviews: CPI annually
- Market Review: At option exercise
- Outgoings: By tenant except prop. management & land tax
- Retail Leases Act Applies? Yes
- Security: Security Deposit and Personal Guarantee

[Rental Yield Calculator](#)

Rental Comparison

Address | Total Size (NLA) | Rent / sqm

12 Saunders Street, Colac East | 1,575sqm | 60/sqm

48 Rae Street, Colac | 546sqm | 74/sqm

4-6 Scott Street, Colac | 455sqm | 208/sqm

101-103 Wallace Street, Colac | 426sqm | 208/sqm

Offer to Purchase

Offer to Purchase	\$1,400,000
Initial Deposit	70000
Due Diligence	28
Finance Days	28
Settlement	21

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