



395-399 Invermay Road Mowbray (Launceston) 7248 TAS Australia

A high-profile retail investment located in Launceston Tasmania, spanning an approximate land size of 3,230 sqm. The site features modern premises with strong income growth potential and excellent exposure to approximately 20,000 vehicle movements per day. The area is set for strong population growth, supported by nearby infrastructure investment, and this opportunity comes with multiple potential strategies to capitalise on that growth.

The property comprises a single-storey mixed-use building with a lettable area of approximately 1,575 sqm. It includes two tenancies – a ‘Shiploads’ showroom (1,212 sqm) and a Zap Fitness gym (363 sqm). The premises feature high ceilings, LED lighting, and an invaluable 42 on-site car spaces with loading facilities. Constructed circa 1990 and upgraded in 2006 and 2013/14, the building is low maintenance with modern finishes.

Fully leased, the property generates a net annual income of approximately \$484,514, equating to a net return of 6.58% (from 1/2/25). The Weighted Average Lease Expiry (WALE) is 2.86 years. This will ensure consistent income flow, whilst exploring promising strategies to generate upside in the value of the asset.

- Shiploads: Lease expiring 1 February 2027, current net rent of \$350,000 p.a. with 3% fixed annual increases. Shiploads will be exiting the building upon lease expiry, providing multiple strategy options to the purchaser.
 - Zap Fitness: Lease term extended to 31 January 2028, current net rent of \$143,264 p.a., with rent reviews at the greater of 3% or CPI. Zap’s intention appears to be to extend their term, and potentially take up a larger foot print, if available.
- Both tenants reimburse majority of the outgoings, contributing to the asset’s stability and minimal management overhead.

Area Details

Situated in Mowbray’s bustling retail precinct, just 4 km from Launceston CBD, the property benefits from proximity to major retailers including Coles, Woolworths, Target, and fast-food outlets like Hungry Jack’s and KFC. The area is further supported by key amenities such as the University of Tasmania – Newnham Campus and Mowbray Medical Centre. The area is set to experience strong growth, with a pending nearby major subdivision as part of Launceston’s key growth corridor. Mowbray is also set to benefit from a major infrastructure project which will attract more residents.

With a population around 100,000 people, Launceston is one of the larger regional cities in Australia.

Upside strategies

The key highlight of this opportunity is the multiple uplift strategies that can be used, which are supported by the premium retail positioning of the asset, the shorter WALE of around 2.8 years, and



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expected population growth in the surrounding area. A few example strategies that could be explored include:

One) It is known to Rethink that Zap Fitness have expressed an interest in increasing their footprint to around 600m². It is also known that multiple 'Large Format Retail' tenants have enquired about leasing around 600m² also, including a leading national auto parts retailer. Both tenants could potentially take up the existing Shiploads footprint (in around 2 years' time), with Zap's existing smaller tenancy filled by another tenant. Given the current Shiploads tenant is paying below market rent, this has the potential to generate a rental increase in 2 years time. Estimates indicate potential upside rent of circa \$36,000 (conservatively based on today's market rent of around \$320/m²), which equates to a capital uplift of around \$606,000 (based on a 6% cap rate which is likely conservative).

A second part of this strategy could be strata titling the three tenancies (STCA) providing multiple exit strategies, helping to unlock significant upside. Retail assets with smaller floor plates sell at tighter net yields (than the 6.58% available on this asset), generally at 6% or under. Taking into account expected interest rate drops, a very conservative net yield of 5.75% averaged across the entire asset, and increased total income in 2 years time, the asset could have a total sales value around \$9,362,000 plus (estimate only).

Two) It is also known that multiple Childcare operators have expressed an interest in occupying the site. One particular significant national operator is understood to have serious interest in partnering with an investor/developer, to occupy the site. Given the strength of the growing location, and access to car parking, this strategy has potential to add significant value to the asset. Childcare assets come with long and secure leases, and sell at sharp yields in Tasmania.

Three) A third strategy would be to attempt to secure one large national Large Format Retailer for the site. The viability of this option would further strengthen as the local population grows, providing a more medium term opportunity. A prominent national retailer tenant with long lease would also have potential to add significant value to the asset.



Outgoings

	NLA (sqm's)	NLA (%)	
Shiploads	1212	77%	
Zap Fitness	363	23%	
	1575	100%	
	Total Property Outgoings	Shiploads	ZAP
Statutory Outgoings			
Council Rates	\$35,000	\$26,950	\$8,050
Water Rates	\$6,000	\$4,620	\$1,380
Land Tax	\$26,300	\$20,251	\$6,049
Total	\$67,300	\$51,821	\$15,479
Building Outgoings			
Insurance Premiums	\$13,200	\$10,164	\$3,036
General R&M	\$1,000	\$770	\$230
Gardening	\$2,000	\$1,540	\$460
Total	\$16,200	\$12,474	\$3,726
Total Annual Recovered Outgoings	\$83,500	\$64,295	\$19,205
Additional Property Management Fee's recovered under Outgoings			\$3,450
Total Adjusted Annual Recovered Outgoings	\$86,950	\$64,295	\$22,655

Note:

Outgoings are charged in 12 equal installments to the tenants throughout the course of the year, they are then reconciled at the EOFY and adjusted as required. ZAP Fitness have property management fee's included as a recoverable outgoing under their lease. The Landlord manages the property in-house, however charges ZAP Fitness a fee equal to 2.5% of their net rent.

Key Information

Investment Type	Multi-Tenanted
Purchase Price	\$7,365,000
Net Yield	6.58%
Property Market Status	Off Market

Key Highlights

- Net return approx. \$484,514 plus GST p.a. (after estimated non-recoverable management fees for the Shiploads tenancy of 2.5%), equating to a net yield of 6.58% from Feb 2025.
- Approximately 1,575m2 of modern and low maintenance building, currently 1,212m2 sitting with the Shiploads tenancy, and the remaining 363m2 with the Zap Fitness tenancy.
- Approximate WALE of 2.8 years, providing opportunity to consider multiple strategies which will help capitalise on the rapid population growth of the surrounding area.
- The tenants pay all outgoing, apart from property management on the Shiploads tenancy.
- Triple street frontage including the highly trafficked retail and general business strip of Mowbray, supporting circa 20,000 vehicle movements per day.
- Surrounded by major retailers such as Coles, Woolworths and Target, it is also the location of choice for Hungry Jacks and KFC. Other significant service providers include – chemists (Terry White and Chemist Warehouse), Mowbray Medical Centre, Launceston Church Grammar School and the University of Tasmania – Newnham Campus.
- Fast growing area of Launceston, designated as a high growth corridor. The area is set for



significant population growth via residential subdivision, which is supported by significant infrastructure spend.

- Substantial 3,230m² site area. Benefits from ample on-site parking (42 car spaces) and truck loading area, attractive features for a variety of retail tenant types.
- Currently zoned General Business, providing flexibility with various uses such as office, retail, hospitality and residential either “Permitted” or “Discretionary” under the planning scheme.
- Strong interest from potential future tenants including national childcare operators, and national Large Format Retailers, as well as a well performing gym business seeking to increase their current footprint.
- Asset provides multiple opportunities to add significant value to the asset over the next 3-4 years.
- Excellent opportunity for the slightly more active investor seeking ‘upside’ opportunities

Background Information

How old is the asset?	circa 20 years
Vendors reason for selling?	Other
How many days the property has been on the market with the selling agents?	0
Is the property strata titled?	No
Are the seller & tenant related parties?	Yes
How long has the current tenant been on-site?	Previously Chickenfeed opened in 1997, Shiploads 2011, Zap - 2014
How long have they been in business overall?	Months
Is the property in a flood zone?	No
Is this lease a leaseback arrangement?	Yes



Improvements

395-399 Invermay Road, Mowbray TAS comprises a single storey mixed use building described as follows:

Construction		Building Features		
Floors	Reinforced concrete slab with finishes to Shiploads of polished and sealed concrete, with carpet overlays to offices, and vinyl overlays to kitchen/lunchroom and amenities. Floor finishes to the gym of carpet, vinyl and rubberised tiles.	Showroom – Shiploads		
Walls	Concrete panel and masonry block external walls. Shiploads tenancy has stud framed plasterboard and stud framed particle board internal walls and divisions, together with full height glazed facade and high clearance roller shutter door to rear loading dock. Zap Fitness tenancy has painted internal linings, mirrored to part, together with stud framed plasterboard division walls and waterproof linings to wet areas.	Gymnasium – Zap Fitness		
Window Frames	Aluminum	Loading/Store area		
Roof	Metal deck with sisalation and safety wire, and plasterboard ceilings to the office and amenities in Shiploads. There are ceilings of suspended acoustic tile and plasterboard in the gym.	Separate male and female amenities		
Construction Year	Circa 1990 – upgraded in 2006 and again in 2013/14	Lunchrooms / Kitchenettes		
Building Services		Building Features		
Lighting	LED	TENANCY	ACCOMMODATION	AREA
Fire Services	Fire detection units	Shiploads	Retail	1,212 sqm
Heating & Cooling	Various wall mounted reverse cycle air-conditioning units are installed throughout the building.	ZAP Fitness	Gym	363 sqm
Security	A building security alarm is installed	Total:		1,575 sqm (approx.)*
Disability access	The main entrance to the buildings have level / ramp access.	A floor plan is included in the Appendices of this Information Memorandum		
		* Areas approximate only. These areas have not been verified by check survey and areas are provided as a guide only. Details should be verified by the potential Purchaser.		

Location Information

Mowbray is situated approximately 4 kms from Launceston CBD, via the East Tamar Highway or Invermay Road. Mowbray is serviced by street frontage strip shopping; Mowbray Marketplace, which houses major retailers such as Woolworths Supermarket, Target, Chemist Warehouse, Reject Shop and several other specialty retailers.

Mowbray also has a recently constructed, free-standing Coles Supermarket; several major bank branches; medical centres; multiple general retailers; Hungry Jacks; KFC; Ampol Service Station; Mowbray Primary School; The renowned Mowbray Racecourse; Mowbray Golf Course, the Northern Campus of the University of Tasmania and the Australian Maritime College.

Mowbray and the surrounding area is set for substantial population expansion, being located in Launceston's key growth corridor. Significant subdivision development is set for the neighbouring suburb of Newnham, with the first 700 residential lots in the final stages of planning. This population growth will be supported by infrastructure development, including the 'Northern Suburbs Community Recreation Hub' (the Hub) at Mowbray in Launceston

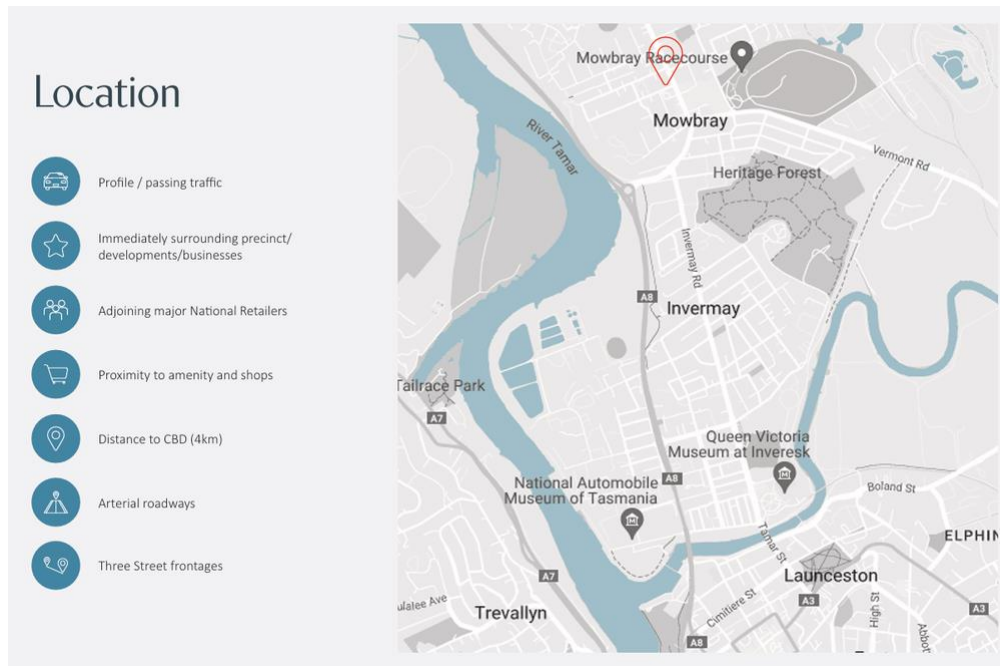
Launceston is one of the larger regional cities in Australia. It is the second-largest city in Tasmania after Hobart and serves as a significant regional hub in the state's north. With a population of over 90,000 people, Launceston is known for its economic activity, infrastructure, and historical



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significance. It plays a key role in commerce, education, healthcare, and tourism for the region.



Tenant Information

Shiploads

Shiploads is a Tasmanian-based retailer known for offering a wide array of products at discounted prices. Their inventory includes items such as clothing, furniture, batteries, hardware, and home décor. By purchasing goods in large quantities, often by the "shipload," they can provide significant savings to customers.

The company operates multiple stores across Tasmania, including locations in Bridgewater, Burnie, Cambridge, Devonport, Glenorchy, Huonville, Kings Meadows, Kingston, Launceston, and Mowbray. Shiploads is committed to offering extreme value products, which are often displayed in large quantities within their stores to emphasize the savings available to customers.

Zap Fitness

Zap Fitness, established in Tasmania in 2009, has grown into a prominent 24/7 gym chain with over 80 locations across Australia, including Tasmania, Victoria, Queensland, South Australia, and Western Australia.

The company aims to make fitness affordable and accessible, offering flexible membership options starting from \$9.99 per week.

Members benefit from 24/7 access via the Zap Fitness app, allowing workouts at any time. Facilities typically include cardio and strength equipment, functional training zones, and dedicated stretching areas. Personal training services are also available to support individual fitness goals.



Shiploads

Lease Expiry	Feb 2027
Option(s)	No further options
Type of Rent	Net
Outgoings	All paid by the tenant excluding management fees
Rent	\$350,000
Annual rental increases	3%

Zap Fitness

Lease Commencement	Feb 2014
Lease Expiry	Feb 2028
Term	7 years
Option(s)	No further options
Type of Rent	Net
Outgoings	All paid by the tenant including management fees
Rent	\$143,264
Annual rental increases	3% or CPI



Financial Overview



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Rent

ZAP Fitness	\$143,264
Shiploads	\$350,000
Plus Recoverable Outgoings	\$86,950

Total Rent/Income	\$580,214
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Less Budgeted Statutory Outgoings FY25

Council Rates	\$35,000
Land Tax	\$26,300
Tas Water	\$6,000

Total Budgeted Statutory Outgoings	\$67,300
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Less Budgeted Operating Expenses FY25

Insurance premiums	\$13,200
Gardening	\$2,000
General repairs/maintenance	\$1,000
Management fees	\$3,450

Total Budgeted Operating Expenses	\$19,650
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Total Budgeted Outgoings FY25	\$86,950
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Fully Leased Net Income	\$493,264*
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**Approximate
All figures exclusive of GST
All figures represented on an annual basis*

Note – net rent is \$484,514, after \$8,750 is budgeted for management of the Shiploads tenancy

Rental Comparison**Offer to Purchase**

Offer to Purchase	\$7,365,000
Initial Deposit	\$100,000
Due Diligence	28 days
Finance Days	28 days
Settlement	21 days



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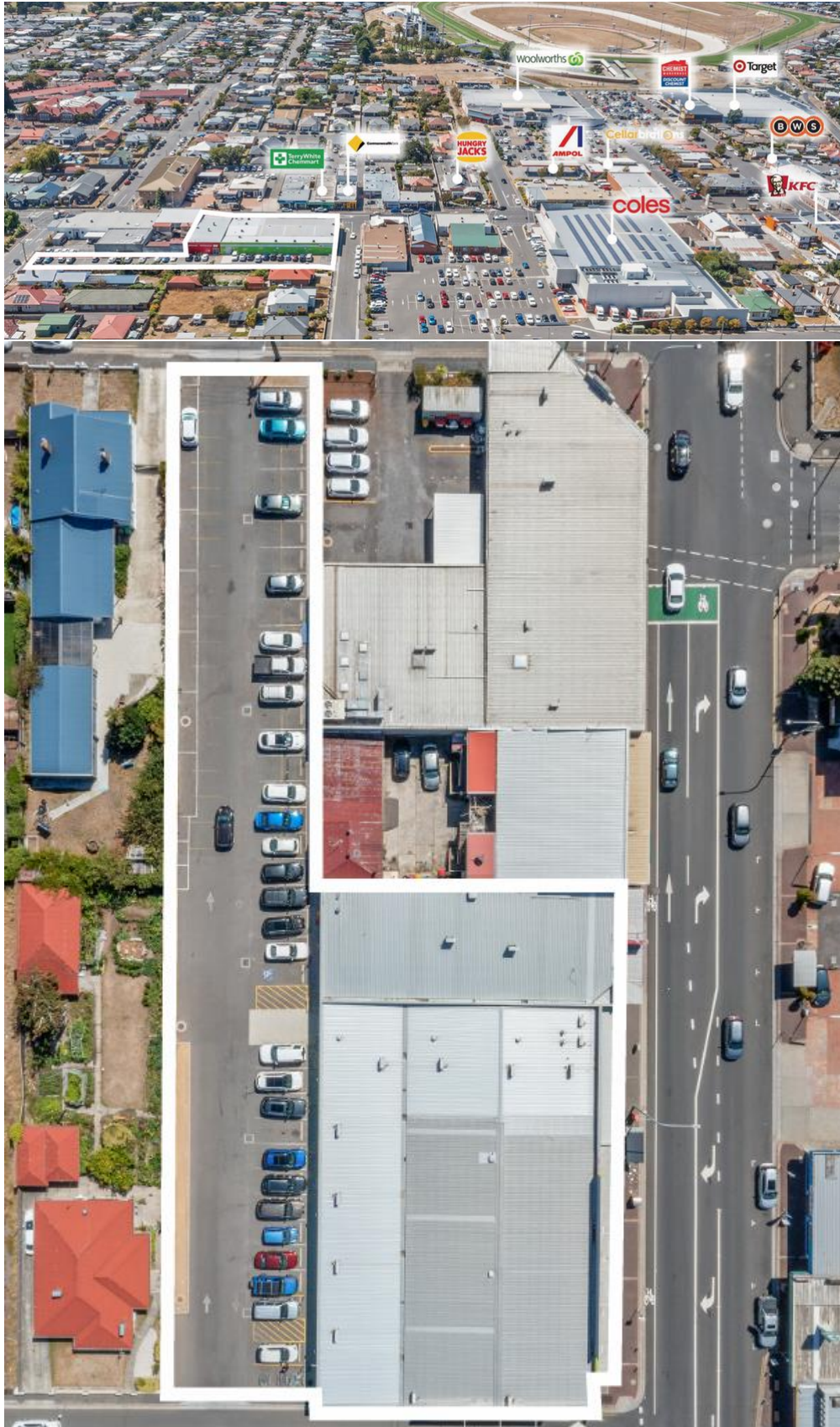
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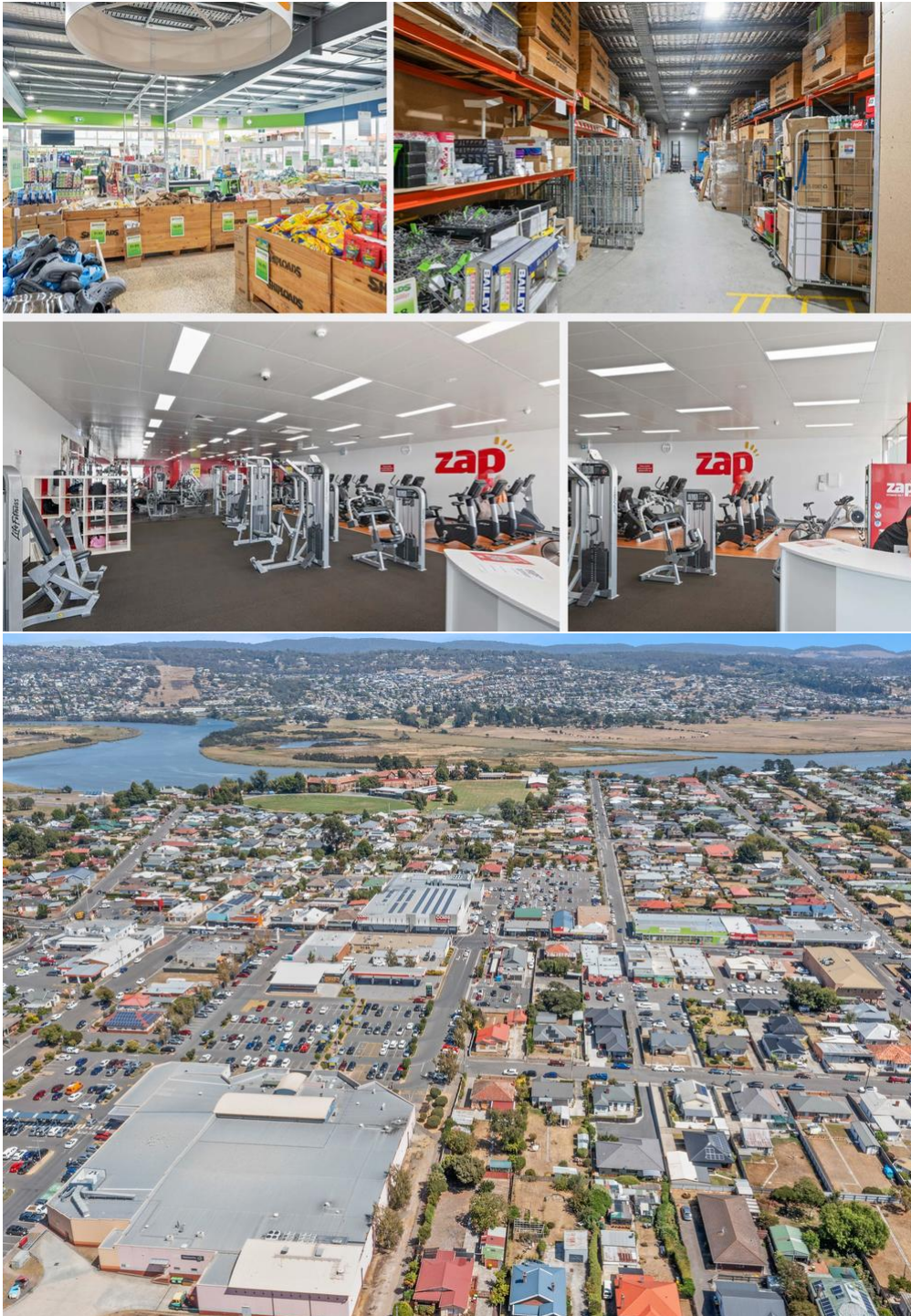


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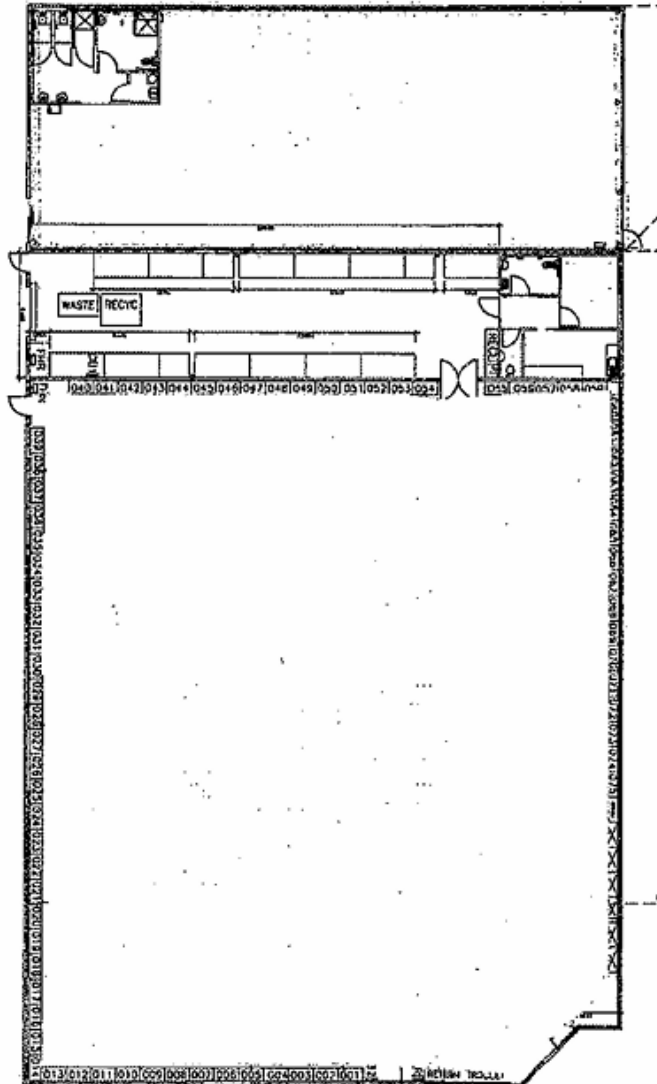


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Please see below rental evidence as requested. I have given tenants names but due to privacy haven't provided addresses.

The retail market is tightly held with limited options. I have provided a range of different sizes and rental rates which should give you comfort.

Tenant	Suburb	Total Area	Rent Type	Rent	\$m²	Term	Option	reviews
National Tiles	Invermay	780	Net	\$235,000	\$301	7.0	5+5	3.25%/Mkt
Godfreys	Launceston	353	Net	\$128,389	\$364	6	6+6	3.5%/Mkt
Beacon Lighting	Launceston	805	Net	\$252,340	\$313	10.0	5	3.50%
Supercheap Auto	Launceston	1001	Net	\$313,500	\$313	10.0	5	not stated
BCF	Launceston	1310	Net	\$404,800	\$309	10.0	5	not stated

As for sales, please see below evidence. As an investment grade asset the sale is supported by both capitalisation of rent and direct comparison.

Address	Sale Price	Land Area (m²)	Lettable Area (m²)	WALE	Market Yield	Imp Land \$/m²
3, 6 Innes St, Launceston	\$ 3,750,000	837	801	5.00 yrs	5.97%	\$4,480
151-159 York Street, Launceston	\$ 3,845,000	1,630	1,125	7.13 yrs	4.68%	\$2,359
76-84 Gleadow Street, Invermay	\$ 5,200,000	5,843	2,799	3.10 yrs	6.34%	\$890
25 Goderich Street, Invermay	\$11,000,000	7,104	2,500	6.17 yrs	4.42%	\$1,548
59-67 Bathurst Street, Launceston	\$13,250,000	7,393	3,794	5.19 yrs	5.59%	\$1,792
1-15 St John Street, Launceston	\$13,500,000	4,696	3,423	4.54 yrs	6.59%	\$2,875
Subject Property	\$ 7,365,000	3,230	1,575	2.86 yrs	6.70%	\$2,280

Disclaimer:

The depreciation figures provided are based on specific circumstances and may not accurately reflect your current financial situation. These figures are intended for informational purposes only and should not be construed as financial or tax advice. Individual financial situations can vary widely, and the applicability of these figures to your personal circumstances may differ. It is strongly recommended that you consult with your usual taxation adviser or a qualified financial professional/accountant to verify this information and obtain personalised advice tailored to your specific financial situation. Neither the provider of this information nor any of its affiliates shall be held liable for any decisions made based on this information without proper consultation with a professional adviser.