

Information Memorandum

Zambrero

374 CHAPEL STREET (AND BRAY STREET)
SOUTH YARRA VIC

For Sale by Investment Portfolio Auction
10.30am (AEST) Wednesday 21 June 2023
River Room, Crown Casino, Melbourne



Salons

Zambrero

Table of Contents

Introduction	3
Investment Highlights	4
Location	6
Proposed Zambrero Refurbishment.....	7
Property Details	8
Lease Summary	10
Financial Summary.....	11
Tenant Profile	12
South Yarra VIC	15
City of Stonnington	16
Method of Sale	18
Sales Team	19
Disclaimer	20

Appendices

- Lease Schedule
- Floor Plan
- Title Plan
- Planning Report

Menu board for Zambrero featuring items: PIZZA, HSP, GOZLEME, and FALAFEL. It also includes the text 'VEGAN & GLUTEN FREE OPTIONS AVAILABLE'.

Signage for 'ODDLE WORLD' and 'BAR • EVENTS • FUNCTIONS'.



Introduction



Burgess Rawson in conjunction with Sutherland Farrelly are delighted to offer the Zambrero at 374 Chapel Street (and Bray Street), South Yarra VIC for sale by Auction, to be held from 10:30am (AEST) 21 June 2023 at Crown Casino, Melbourne VIC.

Burgess Rawson

Since being established in 1975, our Sales, Leasing, Property Management and Advisory services fulfil the complete and ongoing needs of our clients. Burgess Rawson has a network of offices throughout Australia and extensive regional partnerships with local property specialists, giving unmatched depth and reach in all commercial property market sectors.

At every stage of ownership, our clients benefit from our specialist knowledge, experience, market insights and advice. Our strong market position, plus our targeted and effective marketing campaigns through a highly qualified database, generates maximum exposure for properties.

Burgess Rawson's iconic Portfolio Auctions are held in Melbourne, Brisbane and Sydney bringing together a diverse range of national commercial and investment grade properties.

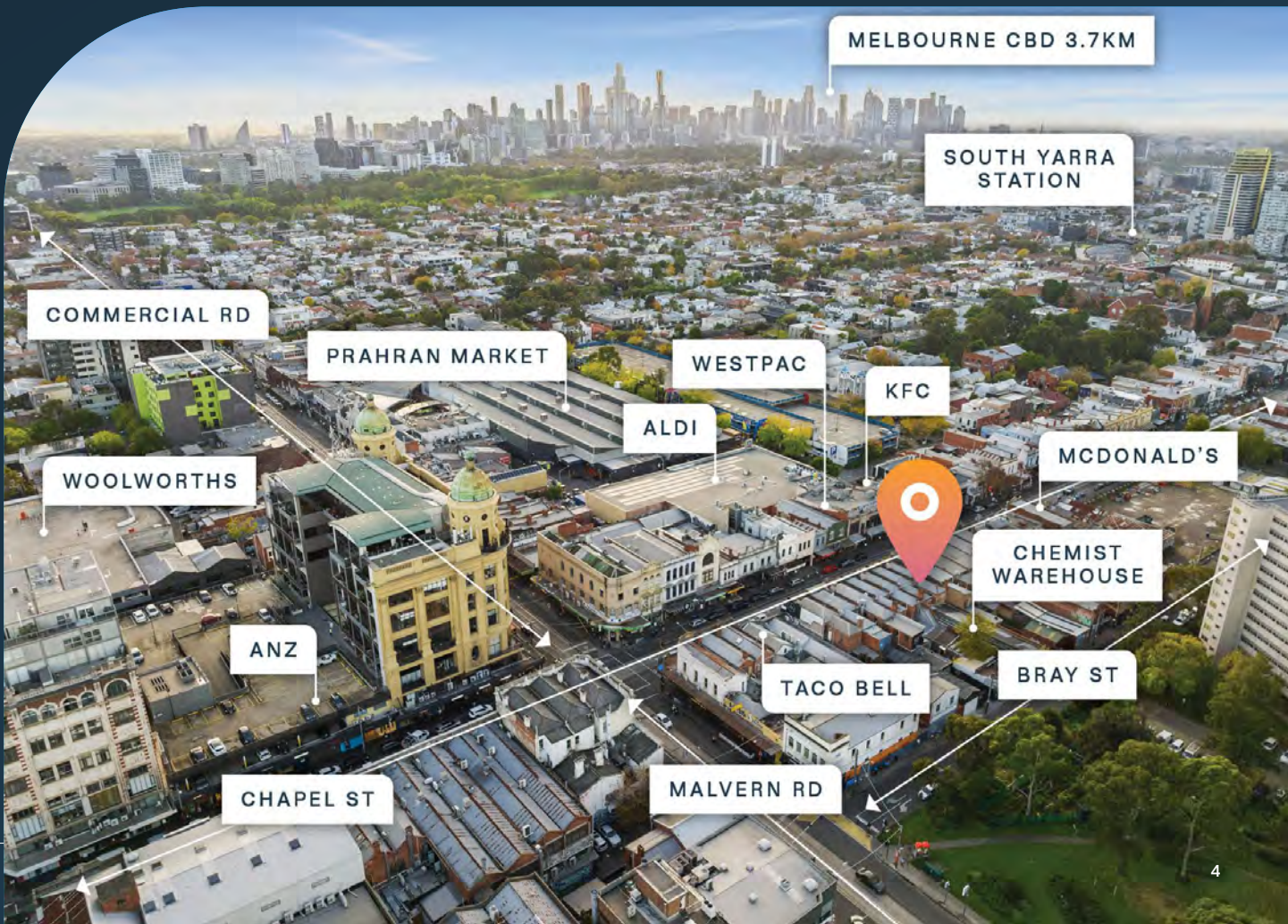
Investment Highlights



Rare Chapel Street Fast Food Investment

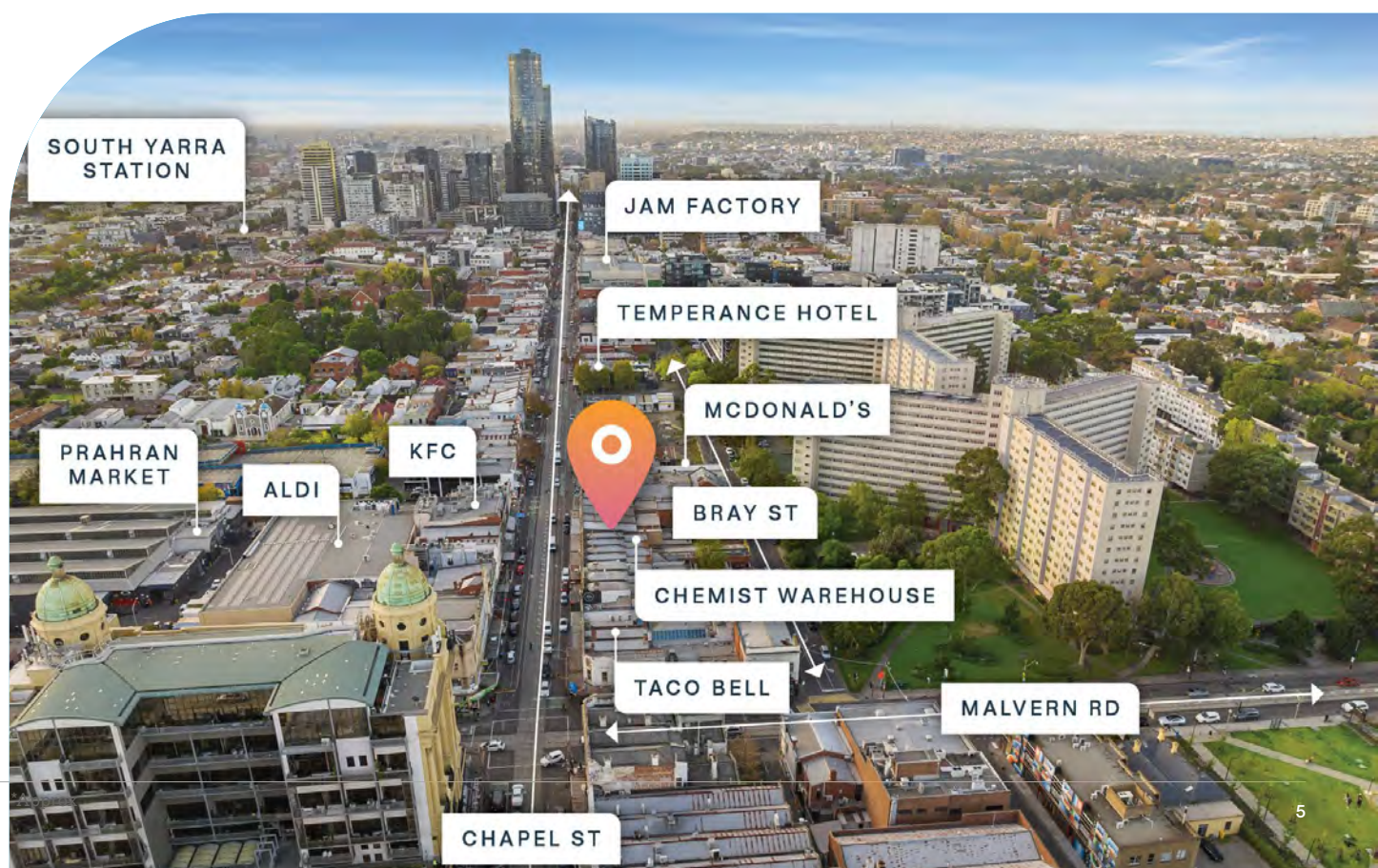
- + Brand new Five (5) year head office lease to June 2028 - no option.
- + Zambrero: fast-food giant with 230 locations globally and growing.
- + Proven store, with Zambrero on-site for over 11 years.
- + Zambrero have proposed \$150k + in new upgrade works, confirming their long-term interest in the building.
- + Secure, set-and-forget net lease structure with Zambrero responsible for all usual outgoings excluding land tax.
- + Generous rent reviews, with fixed 5.88% increase to \$90k in 2024 and 3% annual increases thereafter.
- + 203sqm* two-level building incorporating modern Zambrero restaurant.
- + Prime 227sqm* freehold Chapel Street site, with dual frontage and important on-title parking.
- + Situated in key fast-food precinct, within 40 metres* of McDonalds, KFC and Taco Bell.
- + Directly adjoining Chemist Warehouse, nearby Prahran Market, Jam Factory, Woolworths, Coles, ALDI and Prahran Central.
- + South Yarra: affluent inner-city suburb only 3.7km from Melbourne CBD with \$2.2 million median house price.**
- + Net Income: \$78,825pa* + GST (\$83,825pa* + GST net income as at June 2024)

“Desirable retail position on arguably **Australia's most recognisable shopping strip**”



Location

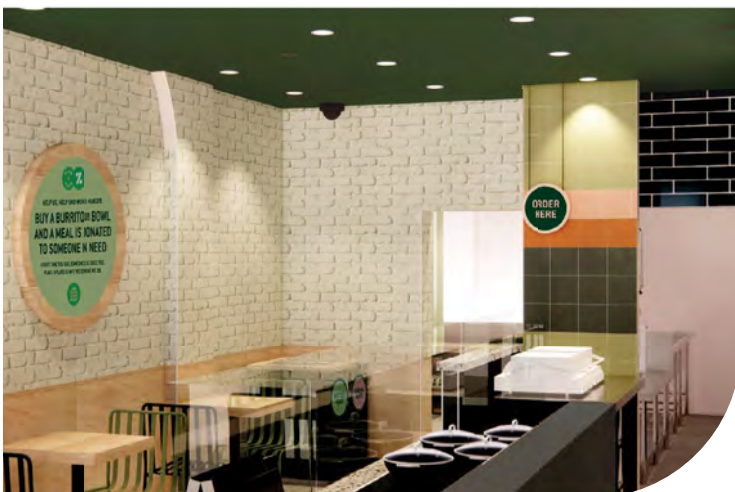
- + The subject property is ideally positioned only 3.7kms* south-east of the Melbourne CBD on iconic Chapel Street.
- + Chapel Street is one of Australia's most recognisable retail shopping strips.
- + Zambrero is located on the eastern side of Chapel Street, between Malvern Road and Grey Street.
- + The property enjoys important dual street frontage, with rear vehicular access via Bray Street.
- + Situated in a key fast-food precinct, within 40 metres* of McDonalds, KFC and Taco Bell.
- + It is also positioned directly beside Chemist Warehouse and nearby Prahran Market, Jam Factory, Woolworths, Coles, ALDI and Prahran Central.
- + It enjoys ample access to parking with on-title spaces, street parking and it is also nearby the Care Park Elizabeth Street which has over 644 car parking bays.



Proposed Zambrero Refurbishment

Zambrero have just gone to tender looking for contractors to help complete their planned major refurbishment to suit their latest corporate look.

Please see images of proposed works below, full preliminary concept plans are also available upon request.



Property Details

Address:

374 Chapel Street (and Bray Street), South Yarra VIC 3141

Title Details:

Lot 1 on Title Plan 340446W

Volume 04733 Folio 540

Zoning:

Activity Centre Zone - Schedule 1 (ACZ1) under the City of Stonnington Planning Scheme.

Site Area:

227sqm*

Car Parking:

Important 2 car parks on-title accessed via Bray Street.

Building Description:

A commanding two-level building incorporating a ground level Zambrero restaurant and first floor 2 bedroom residential apartment.

The Zambrero restaurant is immaculately presented with a modern fit-out. It incorporates an open plan dining/ service area at the front of the premises, accompanied by a central kitchen/ preparation area with a cool room and toilet amenities at the rear of the building. Zambrero have indicated that they plan to further upgrade the store in the near future.

The residential apartment, which is accessed via a rear staircase incorporates 2 large bedrooms, an open plan living area and kitchen/ toilet amenities.

Building Area:

203sqm*

“Proven Zambbrero restaurant **on-site 11+ years**, with fresh new **5 year commitment**”





Lease Summary

Lessee	Zambrero Retail Operations Pty Ltd (Head office lease)
Lease Term	Five (5) years from 1 June 2023 to 31 May 2028
Options	Nil
Reviews	Fixed rental increase to \$90,000pa + GST at 1 June 2024 with fixed 3% annual rental increases thereafter
Outgoings	Lessee is responsible for all usual outgoings excluding land tax on a single holding basis
Security	An amount equivalent to 110% of 3 months rental at all times
Rent	\$78,825 pa* + GST (\$83,825 pa* net as at June 2024)

Financial Summary

Current Rent	\$85,000pa*
Less Non-Recoverable Outgoings:	
Single Holding Land Tax:	\$6,175pa*
Total Net Income (Current):	\$78,825pa* + GST
Total Net Income (June 2024):	\$83,825pa* + GST



* approx.

Tenant Profile

Zambrero

Zambrero started in 2005 as a 21 year old medical student Sam Prince. The idea to start Zambrero came about when Sam was working part time at a Mexican restaurant.

Zambrero saw rapid growth from its inception from 20 restaurants in 2012 to over 100 restaurants in 2015 and the brand quickly cementing its position as one of Australia's fastest growing businesses.

Today, Zambrero continues to expand at a rapidly growing pace now having over 230 stores across the globe including London, United Kingdom.



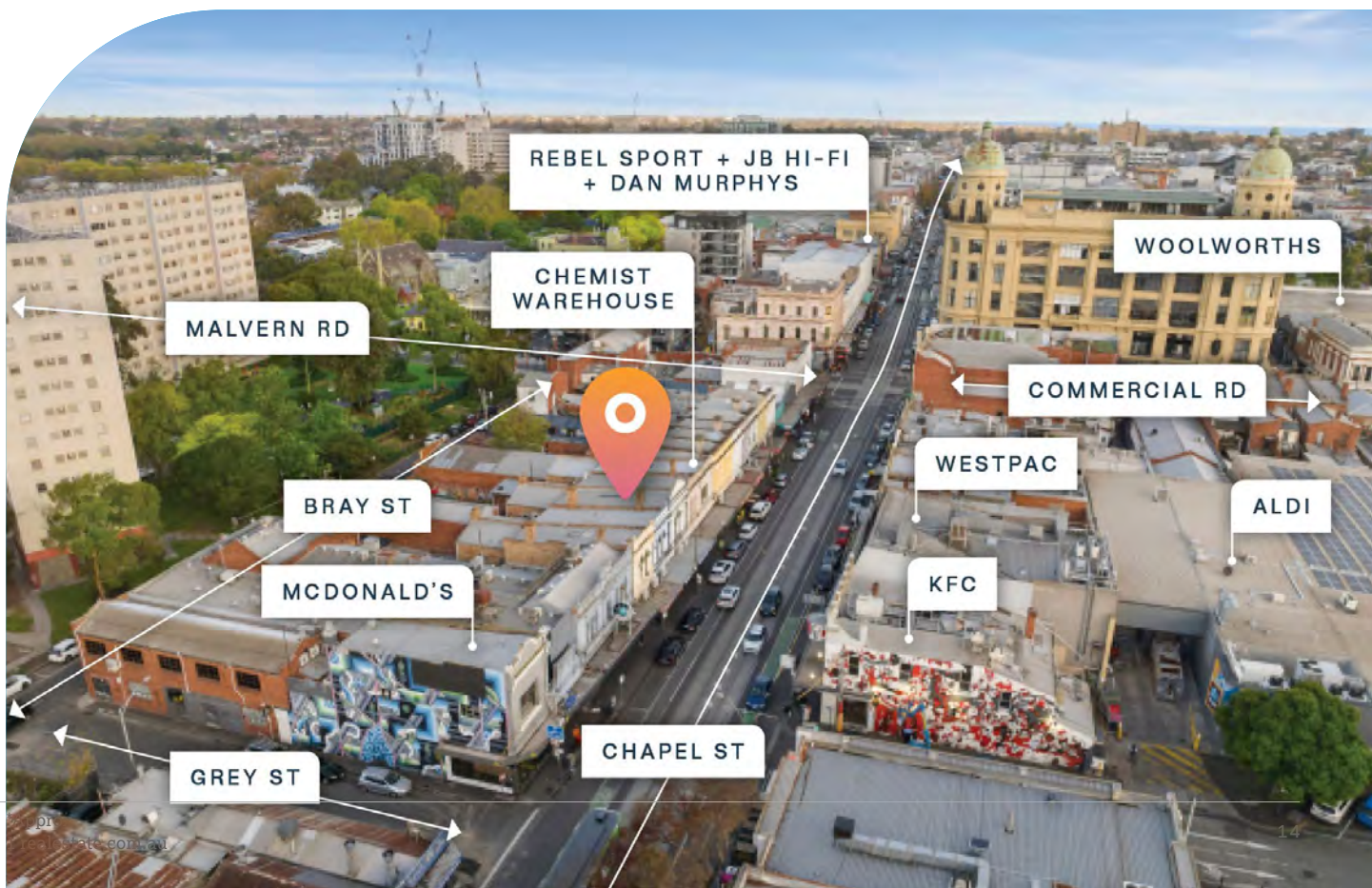


“Prime 227sqm* freehold
Chapel Street site, with
dual street frontage
and important on-title
parking.”



South Yarra VIC

- + South Yarra is an affluent inner city suburb located only 3.5km* south east of the Melbourne CBD, located within the City of Stonnington LGA.
- + Booming locale with median house price of \$2,200,000. ¹
- + The iconic Chapel Street runs through the middle of South Yarra. It is a highly popular location attracting millions of visitors each year due to its bar, restaurant and retail offerings.
- + Home to Prahran Market, established over 150 years ago, a destinational location for not only locals but visitors from all over Melbourne and beyond. Offering a wide range fresh fruit and vegetables, butchers, deli, poultry & game, nursery and cafes.
- + South Yarra is bordered on the north by the Yarra River, on the east by Toorak, on the south by Prahran, and on the west by South Melbourne.

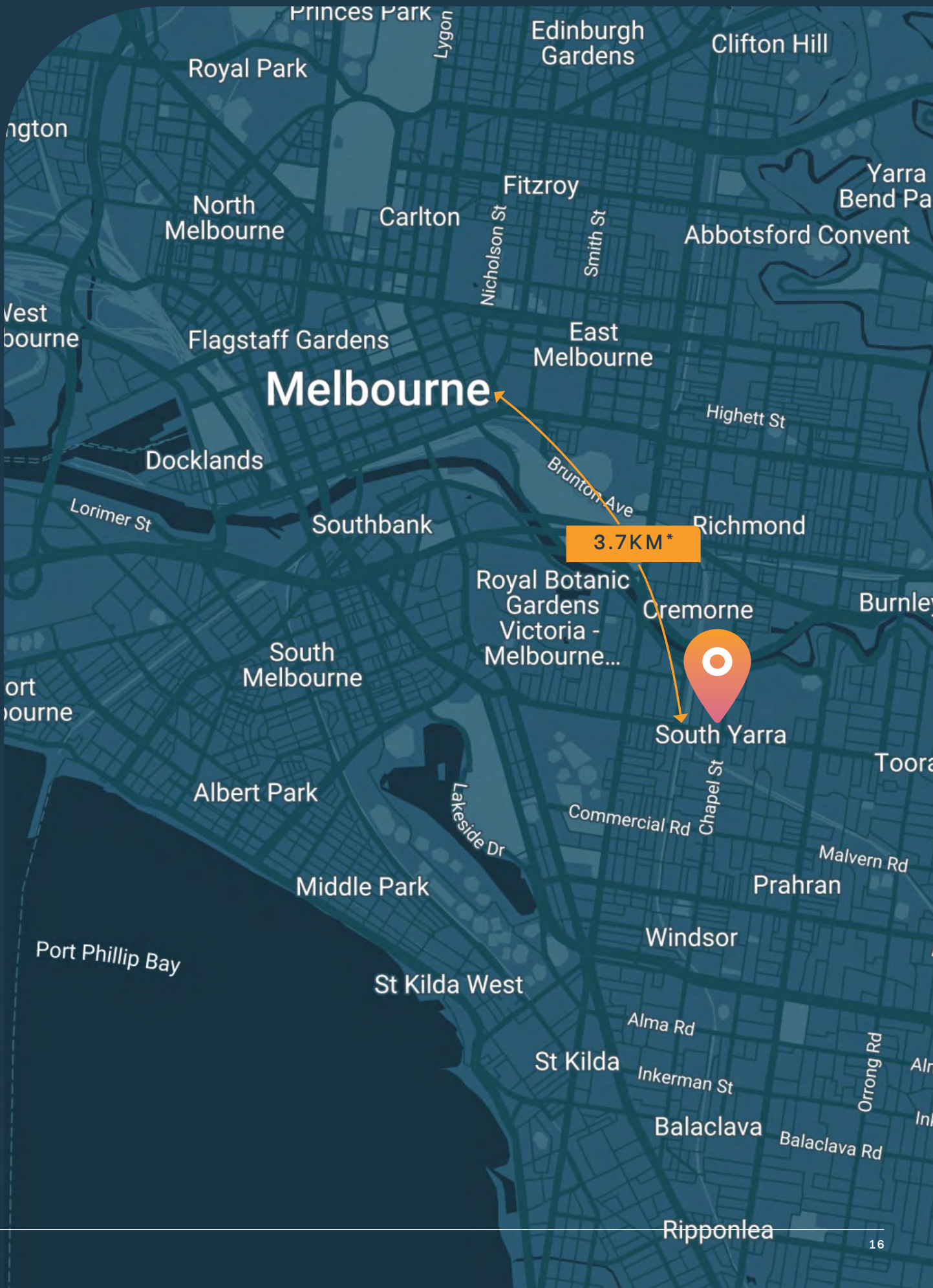


The City of Stonnington

The City of Stonnington is an affluent and thriving municipality, with population forecast to grow **20.48%** to **136,973 residents** by **2036**.²

The City of Stonnington is one of the most affluent municipalities in Victoria, just 2.5km south east of Melbourne CBD. The Council area spans 25 square kilometres of prime real estate and is home to 113,691 people.³

- + The City of Stonnington produces a Gross Regional Product of \$9.88 billion annually, with 18,176 local businesses supporting 71,087 employed residents.⁴
- + The City Council generates an annual economic output of approximately \$14.9 billion.⁴ Retail trade is one of the largest contributors to economic output, accounting for 20% of all jobs in the council.⁴
- + The value of total building approvals has grown 24.44% in the last to \$1.28 billion, indicative of a growing economy and real investment potential in the area.⁵
- + The municipality covers some of Melbourne's most prestigious suburbs such as Toorak, South Yarra and Prahran, with median house prices 181% higher⁶ than metropolitan Melbourne at \$2,744,000.⁷



Method of Sale

For Sale via Investment Portfolio Auction 161
River Room, Crown Casino, Melbourne
Auction 10:30am AEST Wednesday 21 June 2023

Bidder Registration

To bid at auction you must pre-register. Please contact the exclusive selling agents for further information.

Inspections

Inspections can be arranged by prior appointment.

Due Diligence

Due Diligence material will be provided upon [request](#).

Contact



Level 20, 150 Lonsdale Street
Melbourne VIC 3000

Sales Team



Beau Coulter
0413 839 898



Matthew Wright
0458 290 588



43 Agnes Street
East Melbourne VIC 3002



Paul Farrelly
0418 358 998

Disclaimer

The information contained in the report/information memorandum has been prepared in good faith and due care by the Vendor, Burgess Rawson and Sutherland Farrelly. Any projections contained in the report therefore, represent best estimates only and may be based on assumptions.

The information contained herein is supplied without any representation as to its truth or accuracy. All interested parties should make their own enquiries to satisfy themselves in all aspects and obtain their own independent advice in order to verify any of the information. All stated dimensions and areas are approximate.

The vendor does not represent or warrant the accuracy of any information contained in this document. Subject to any statutory limitation on its ability to do so, the vendor disclaims all liability under any cause of action, including negligence, for any loss arising from reliance on this document.

Specifically, we make the following disclosures:

- + All areas, measurements, boundaries, car space numbers, rents are approximate only and subject to final confirmation;
- + The indicative depreciation schedule has been provided by J Mathew Advisory and is an estimate only and cannot be used for tax purposes.

Intellectual Property

The information contained in the report has been prepared in good faith and due care by Burgess Rawson and Sutherland Farrelly. The contents of this document are proprietary to Burgess Rawson and Sutherland Farrelly. This includes: research including transactional data and reproduction of this information by any other part is not authorised. All other information contained herein is from noted sources deemed reliable, however Burgess Rawson and Sutherland Farrelly does not represent or warrant the accuracy of any information contained in this document.

GST Disclaimer

Burgess Rawson and Sutherland Farrelly advises that the financial information in this report relating to income, outgoings and the like is provided without reference to the possible impact of GST, if any. Purchasers should make their own assessment of the impact of GST on the investments and the returns derived there from after obtaining expert professional advice.

Retail Leases Act 2003 – Tenant outgoings

Prospective buyers should note that the recovery of outgoings from a tenant is subject to the application of and proper compliance with the Retail Leases Act 2003 (Vic). The Act applies to leases of retail premises in Victoria. If the Act applies, certain outgoings, such as land tax and some maintenance costs, cannot be recovered from the tenant. If the Act applies, other outgoings, such as management fees, can only be recovered from the tenant if the Act has been

Appendix 1

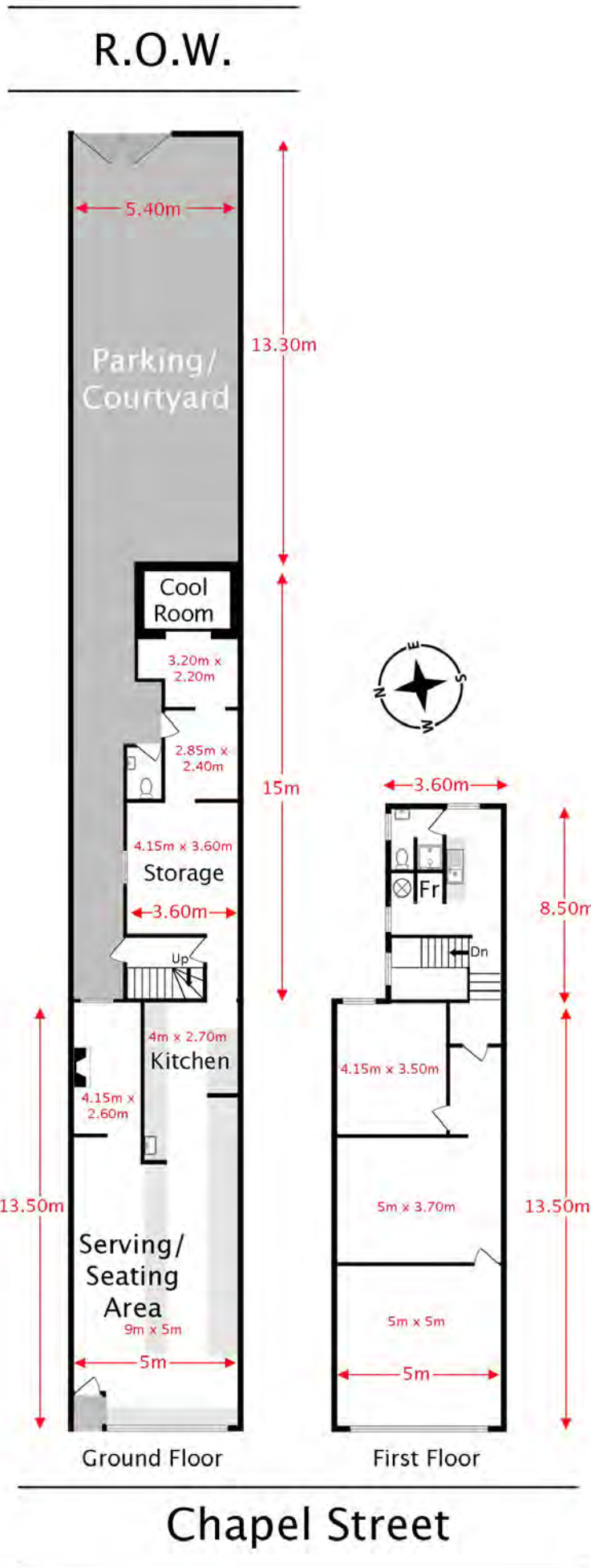
Lease Schedule

SCHEDULE

Item 1 [Clause 1.1]	Rent	\$85,000.00 per annum plus GST, subject to reviews in accordance with the Original Lease.
Item 2 [Clause 1.1]	Term of the Lease	5 years commencing on 1 June 2023.
Item 3 [Clause 4.1]	Variations	<p>Item 6 of the Schedule of Lease is amended to read:- "\$85,000.00 per annum plus GST plus outgoings."</p> <p>Item 8 of the Schedule of Lease is amended to read:- "Five (5) years commencing on 1 June 2023."</p> <p>Item 13 of the Schedule of Lease is amended so that the Term has the Fixed review date(s) and percentage or fixed amount increases amended to read:- "1 June 2024 - \$90,000.00, 1 June 2025 – fixed 3% increase, 1 June 2026 – fixed 3% increase, 1 June 2027 – fixed 3% increase."</p> <p>Item 13 of the Schedule of Lease is amended so that the Further Term(s) has the Fixed review date(s) and percentage or fixed amount increases amended to read:- "Not applicable."</p>
Item 4 [Clause 6]	Additional Provisions	Nil
Item 5 [Clause 7]	Latest Date for Exercising Option	Not applicable.
Item 6 [Clause 1.1]	The Original Lease	The Original Lease between Rehava Investments Pty Ltd and Zambrero Retail Operations Pty Ltd dated 1 September 2022 and attached as Annexure 1.

Appendix 2

Floor Plan



Note: all Dimensions are approx.

Appendix 3

Title Plan

TITLE PLAN	EDITION 1	TP 340446W
-------------------	------------------	-------------------

<p>Location of Land</p> <p>Parish: PRAHRAN Township: Section: Crown Allotment: Crown Portion: 35(PT)</p> <p>Last Plan Reference: Derived From: VOL 4733 FOL 540 Depth Limitation: NIL</p>	<p style="text-align: center;">Notations</p> <p>ANY REFERENCE TO MAP IN THE TEXT MEANS THE DIAGRAM SHOWN ON THIS TITLE PLAN</p>
--	--

<p style="text-align: center;">Description of Land / Easement Information</p> <p><u>ALL THAT</u> piece of land delineated and coloured red and blue on the map in the margin being -- part of Crown Portion 35 Parish of Prahran County of Bourke Together with -- a right of carriage way over the road coloured brown on the said map As to -- the land coloured blue together with a right to use the land coloured yellow -- on the said map for Party Wall purposes -----</p>	<p>THIS PLAN HAS BEEN PREPARED FOR THE LAND REGISTRY, LAND VICTORIA, FOR TITLE DIAGRAM PURPOSES AS PART OF THE LAND TITLES AUTOMATION PROJECT</p> <p>COMPILED: 23/06/2000 VERIFIED: AC</p>
---	---

ENCUMBRANCES REFERRED TO

As to the land coloured blue -- THE PARTY WALL EASEMENT -- reserved by Transfer 1059217 --

COLOUR CODE
 BL = BLUE Y = YELLOW
 R = RED
 BR = BROWN

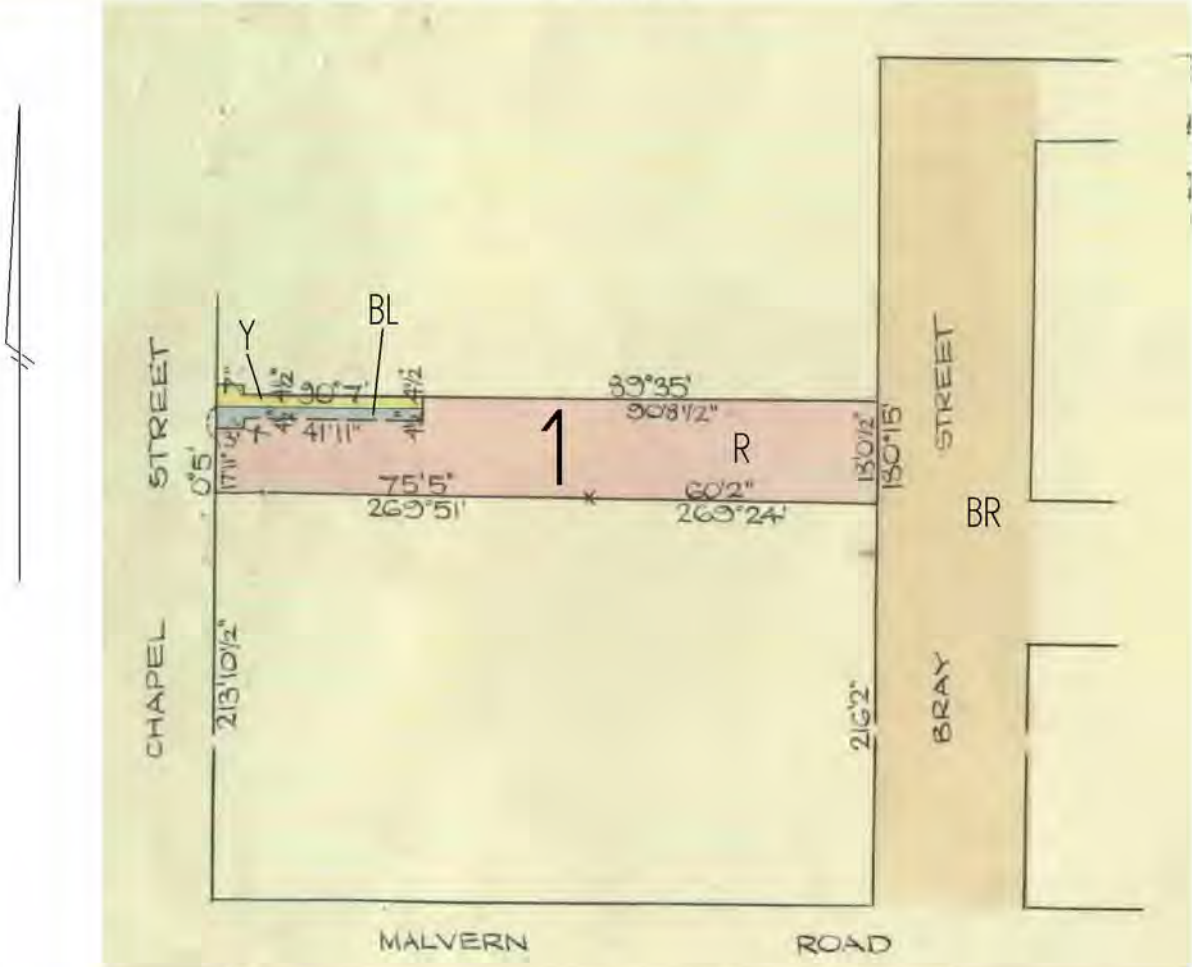


TABLE OF PARCEL IDENTIFIERS	
WARNING: Where multiple parcels are referred to or shown on this Title Plan this does not imply separately disposable parcels under Section 8A of the Sale of Land Act 1962	
PARCEL 1 = CP 35 (PT)	

Appendix 4

Planning Report

PLANNING PROPERTY REPORT

From www.planning.vic.gov.au at 30 May 2023 09:41 AM

PROPERTY DETAILS

Address: **374 CHAPEL STREET SOUTH YARRA 3141**
 Lot and Plan Number: **Lot 1 TP340446**
 Standard Parcel Identifier (SPI): **1\TP340446**
 Local Government Area (Council): **STONNINGTON**
 Council Property Number: **29777**
 Planning Scheme: **Stonnington**
 Directory Reference: **Melway 2L J9**

www.stonnington.vic.gov.au

[Planning Scheme - Stonnington](#)

UTILITIES

Rural Water Corporation: **Southern Rural Water**
 Melbourne Water Retailer: **South East Water**
 Melbourne Water: **Inside drainage boundary**
 Power Distributor: **CITIPOWER**

STATE ELECTORATES

Legislative Council: **SOUTHERN METROPOLITAN**
 Legislative Assembly: **PRAHRAN**

OTHER

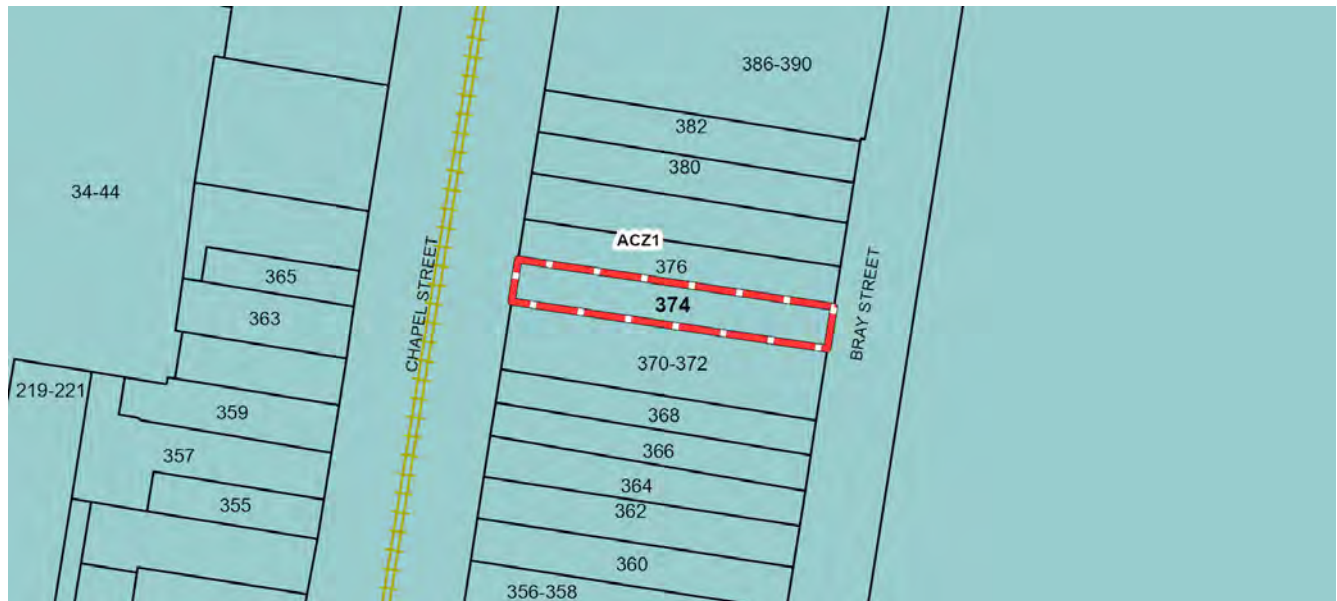
Registered Aboriginal Party: **Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation**

[View location in VicPlan](#)

Planning Zones

[ACTIVITY CENTRE ZONE \(ACZ\)](#)

[ACTIVITY CENTRE ZONE - SCHEDULE 1 \(ACZ1\)](#)



 ACZ - Activity Centre

 Tram line

Note: labels for zones may appear outside the actual zone - please compare the labels with the legend.

Copyright © - State Government of Victoria

Disclaimer: This content is provided for information purposes only. No claim is made as to the accuracy or authenticity of the content. The Victorian Government does not accept any liability to any person for the information provided. Read the full disclaimer at <https://www.delwp.vic.gov.au/disclaimer>

Notwithstanding this disclaimer, a vendor may rely on the information in this report for the purpose of a statement that land is in a bushfire prone area as required by section 32C (b) of the Sale of Land 1962 (Vic).

PLANNING PROPERTY REPORT: 374 CHAPEL STREET SOUTH YARRA 3141

Page 1 of 5

PLANNING PROPERTY REPORT

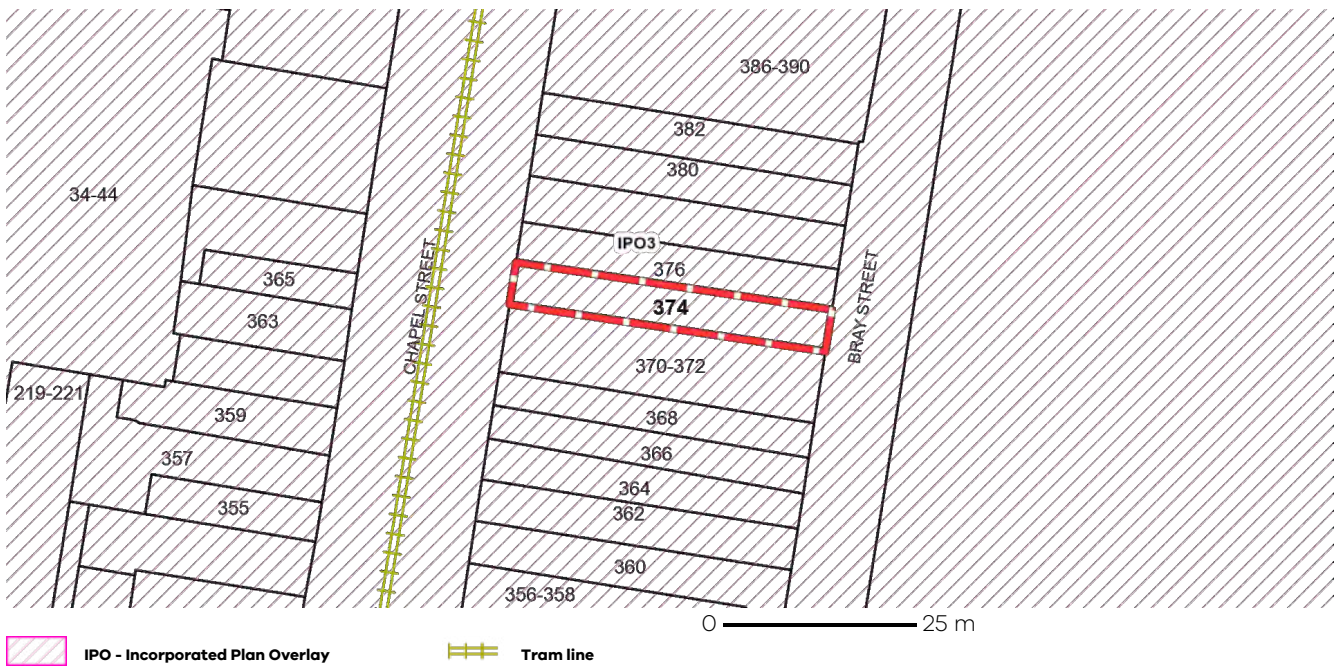
Planning Overlays

[HERITAGE OVERLAY \(HO\)](#)
[HERITAGE OVERLAY - SCHEDULE \(HO126\)](#)



Note: due to overlaps, some overlays may not be visible, and some colours may not match those in the legend

[INCORPORATED PLAN OVERLAY \(IPO\)](#)
[INCORPORATED PLAN OVERLAY - SCHEDULE 3 \(IPO3\)](#)



Note: due to overlaps, some overlays may not be visible, and some colours may not match those in the legend

Copyright © - State Government of Victoria

Disclaimer: This content is provided for information purposes only. No claim is made as to the accuracy or authenticity of the content. The Victorian Government does not accept any liability to any person for the information provided. Read the full disclaimer at <https://www.delwp.vic.gov.au/disclaimer>

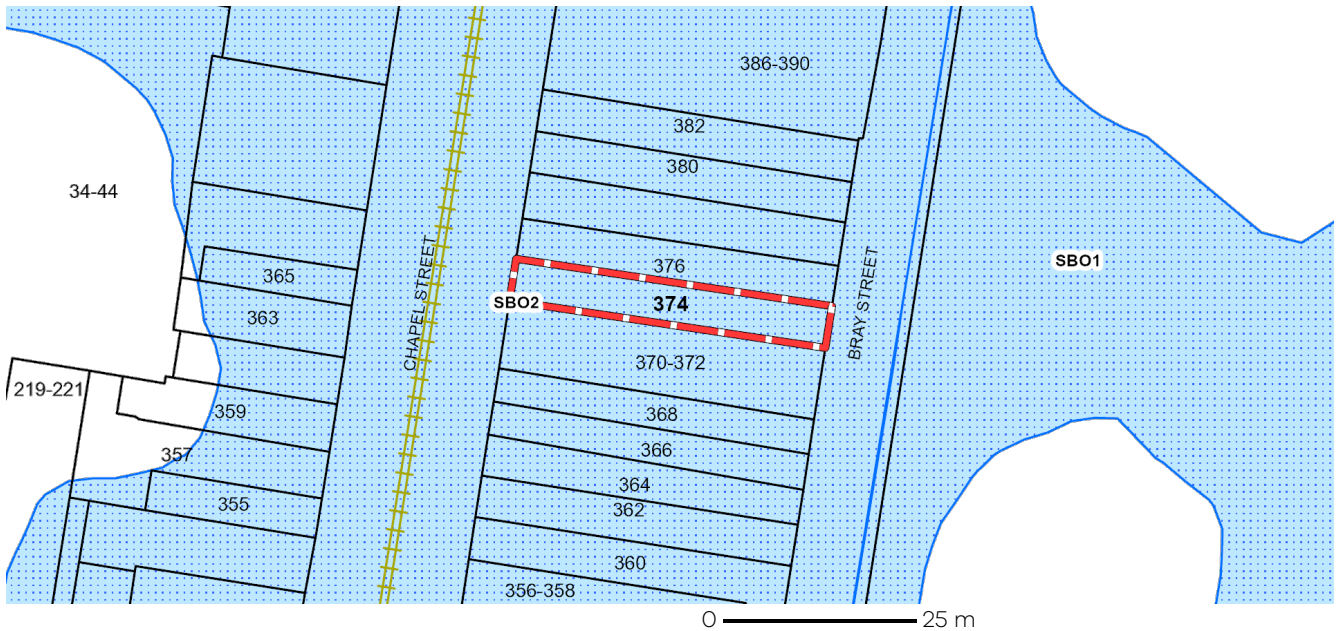
Notwithstanding this disclaimer, a vendor may rely on the information in this report for the purpose of a statement that land is in a bushfire prone area as required by section 32C (b) of the Sale of Land 1962 (Vic).

PLANNING PROPERTY REPORT

Planning Overlays

SPECIAL BUILDING OVERLAY (SBO)

SPECIAL BUILDING OVERLAY - SCHEDULE 2 (SBO2)



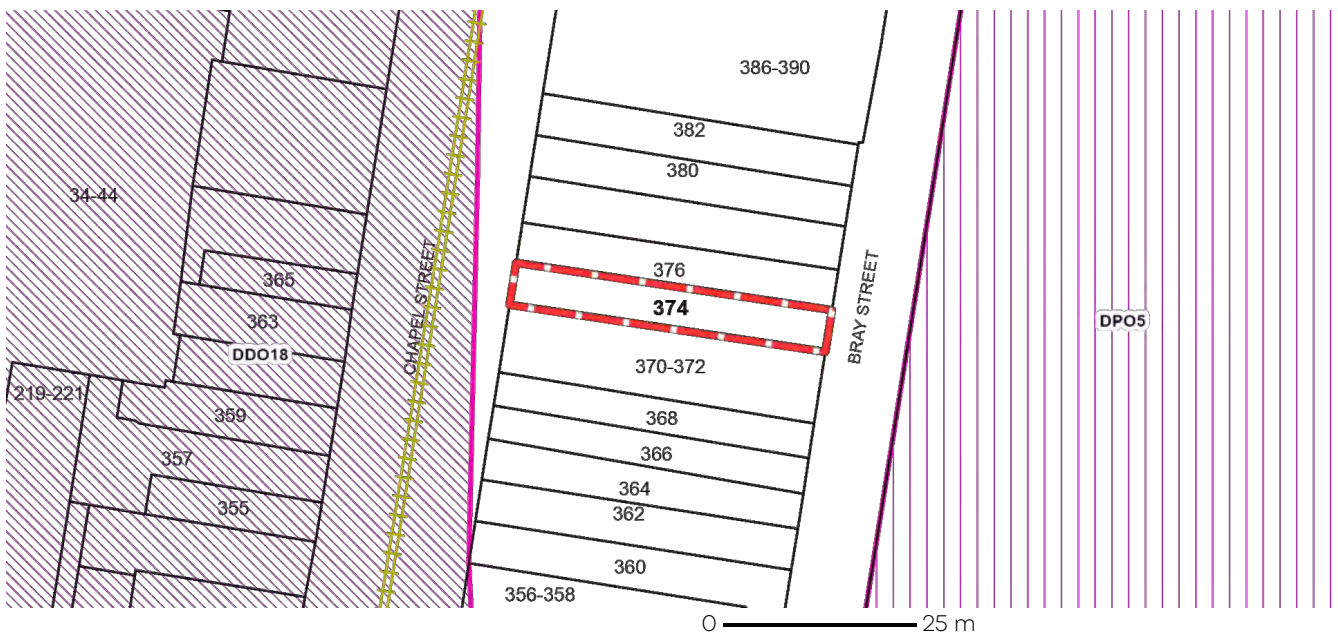
Note: due to overlaps, some overlays may not be visible, and some colours may not match those in the legend

OTHER OVERLAYS

Other overlays in the vicinity not directly affecting this land

DESIGN AND DEVELOPMENT OVERLAY (DDO)

DEVELOPMENT PLAN OVERLAY (DPO)



Note: due to overlaps, some overlays may not be visible, and some colours may not match those in the legend

Copyright © - State Government of Victoria

Disclaimer: This content is provided for information purposes only. No claim is made as to the accuracy or authenticity of the content. The Victorian Government does not accept any liability to any person for the information provided. Read the full disclaimer at <https://www.delwp.vic.gov.au/disclaimer>

Notwithstanding this disclaimer, a vendor may rely on the information in this report for the purpose of a statement that land is in a bushfire prone area as required by section 32C (b) of the Sale of Land 1962 (Vic).

PLANNING PROPERTY REPORT

Further Planning Information

Planning scheme data last updated on 24 May 2023.

A **planning scheme** sets out policies and requirements for the use, development and protection of land. This report provides information about the zone and overlay provisions that apply to the selected land. Information about the State and local policy, particular, general and operational provisions of the local planning scheme that may affect the use of this land can be obtained by contacting the local council or by visiting <https://www.planning.vic.gov.au>

This report is NOT a **Planning Certificate** issued pursuant to Section 199 of the **Planning and Environment Act 1987**. It does not include information about exhibited planning scheme amendments, or zonings that may affect the land. To obtain a Planning Certificate go to Titles and Property Certificates at Landata - <https://www.landata.vic.gov.au>

For details of surrounding properties, use this service to get the Reports for properties of interest.

To view planning zones, overlay and heritage information in an interactive format visit <https://mapshare.maps.vic.gov.au/vicplan>

For other information about planning in Victoria visit <https://www.planning.vic.gov.au>

Copyright © - State Government of Victoria

Disclaimer: This Content is provided for information purposes only. No claim is made as to the accuracy or authenticity of the content. The Victorian Government does not accept any liability to any person for the information provided.

Read the full disclaimer at <https://www.delwp.vic.gov.au/disclaimer>

Notwithstanding this disclaimer, a vendor may rely on the information in this report for the purpose of a statement that land is in a bushfire prone area as required by section 32C (b) of the Sale of Land 1962 (Vic).

PLANNING PROPERTY REPORT

Designated Bushfire Prone Areas

**This property is not in a designated bushfire prone area.
No special bushfire construction requirements apply. Planning provisions may apply.**

Where part of the property is mapped as BPA, if no part of the building envelope or footprint falls within the BPA area, the BPA construction requirements do not apply.

Note: the relevant building surveyor determines the need for compliance with the bushfire construction requirements.



Designated BPA are determined by the Minister for Planning following a detailed review process. The Building Regulations 2018, through adoption of the Building Code of Australia, apply bushfire protection standards for building works in designated BPA.

Designated BPA maps can be viewed on VicPlan at <https://mapshare.vic.gov.au/vicplan/> or at the relevant local council.

Create a BPA definition plan in [VicPlan](#) to measure the BPA.

Information for lot owners building in the BPA is available at <https://www.planning.vic.gov.au>.

Further information about the building control system and building in bushfire prone areas can be found on the Victorian Building Authority website <https://www.vba.vic.gov.au>. Copies of the Building Act and Building Regulations are available from <http://www.legislation.vic.gov.au>. For Planning Scheme Provisions in bushfire areas visit <https://www.planning.vic.gov.au>.

Native Vegetation

Native plants that are indigenous to the region and important for biodiversity might be present on this property. This could include trees, shrubs, herbs, grasses or aquatic plants. There are a range of regulations that may apply including need to obtain a planning permit under Clause 52.17 of the local planning scheme. For more information see [Native Vegetation \(Clause 52.17\)](#) with local variations in [Native Vegetation \(Clause 52.17\) Schedule](#)

To help identify native vegetation on this property and the application of Clause 52.17 please visit the Native Vegetation Information Management system <https://nvim.delwp.vic.gov.au/> and [Native vegetation \(environment.vic.gov.au\)](https://www.environment.vic.gov.au) or please contact your relevant council.

You can find out more about the natural values on your property through NatureKit [NatureKit \(environment.vic.gov.au\)](https://www.environment.vic.gov.au)

Copyright © - State Government of Victoria

Disclaimer: This content is provided for information purposes only. No claim is made as to the accuracy or authenticity of the content. The Victorian Government does not accept any liability to any person for the information provided.

Read the full disclaimer at <https://www.delwp.vic.gov.au/disclaimer>

Notwithstanding this disclaimer, a vendor may rely on the information in this report for the purpose of a statement that land is in a bushfire prone area as required by section 32C (b) of the Sale of Land 1962 (Vic).

PLANNING PROPERTY REPORT: 374 CHAPEL STREET SOUTH YARRA 3141

Page 5 of 5