

Hunter centre sells for \$42m

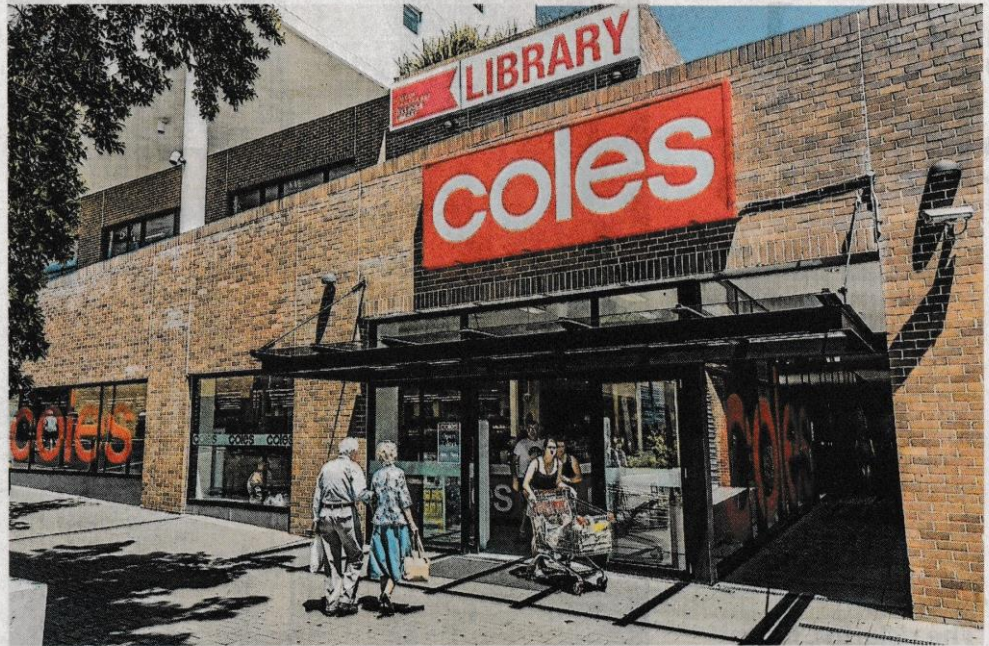
■ Carolyn Cummins

Retail investment properties are gaining traction. The most recent sale was by Sentinel Property's Rutherford Homemaker Trust of its Hunter Supa Centre retail homemaker property in regional NSW for \$42.25 million. The buyer was not disclosed, but is understood to be Primewest Retail Shopping Centre Trust.

Sentinel managing director Warren Ebert said the strategic divestment of the Hunter Supa Centre, the latest in a series of retail property sales by Sentinel, has fully capitalised on the rising market demand for well-located and well-leased retail centres.

He said investors in the stand-alone Sentinel Rutherford Homemaker Trust are forecast to receive a total Internal Rate of Return of about 47.05 per cent, when taking into account the capital return from the sale, two previous capital return payments, and the monthly distributions over the life cycle of the trust.

On the sale side, one of the latest to be offered is Coles Five Dock, Sydney, with a price tag of about \$20 million. Coles acquired the



For sale: Coles Five Dock in Garfield Street is on the market through Colliers International.

business last year from Supabarn Supermarkets Pty Ltd, to get a foothold in Five Dock and is being sold via an expressions of interest campaign through James Wilson and Alexander Elliott of Colliers International.

Mr Wilson said the combination of a tightly held asset type, Sydney metropolitan location an extremely affluent catchment, mean that Coles Five Dock will be keenly contested by investors seeking a trophy retail investment.

"The beginning of 2017 has brought immediate market activity within the supermarket and neighbourhood shopping centre space not experienced in previous years. Clients are looking to realise the full potential of their property by taking advantage of the record breaking conditions driven by huge equity levels, low cost of debt and limited retail investment opportunities available in 2016," he said.

According to Mr Elliott, Five Dock's strategic location between

Parramatta and Sydney's CBD, and near the Parramatta Road Urban Transformation Strategy, "highlights its value to sophisticated retail investors".

Daniel Lees, director of research at Colliers International, expects retail property yields to compress further, "but we expect that more transactional activity within the retail sector should reprice the market closer to where historical spreads deem these shopping centres should be".