

Novion snaps up shopping centre

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A Novion fund has obtained The Marketplace Auburn, above, in Sydney's west in a deal valuing the centre at about \$120m. Source: Supplied

THE Novion Property Group's flagship wholesale vehicle, known as the NERF fund, has swooped on The Marketplace Auburn subregional shopping centre development in Sydney's inner west in a deal valuing the project at about \$120 million.

The sale is the first of what is likely to be a busy year of shopping centre deals, as larger players, including Mirvac Group and Dexus Property Group offer up subregional centres.

Novion's joint head of wholesale, Jason Ferris, said the purchase gave NERF a rare newly built subregional centre in the tightly held Sydney metropolitan market.

"By acquiring the asset at this stage in development, we are able to share in some of the benefit of the gain on development and with the leasing being managed by the Novion team, we can ensure the best tenant mix and leasing outcomes for the project," Mr Ferris said.

Last year, APN Property Group and Newmark Capital struck a deal to buy what was formerly Auburn's Lidcombe Power Centre for about \$52m and put it into a new fund.

The listed group and Melbourne-based syndicator, co-headed by former Hawthorn player and AFL commissioner Chris Langford, announced plans at the time to overhaul the centre on Parramatta Road, which was bought from Spotlight heir and Carlton director Zac Fried.

They are well progressed in turning it into a subregional shopping centre.

The project is to be anchored by retailers, including Woolworths, Aldi, Kmart, Spotlight and Anaconda and have a bowling alley and about 50 specialty tenancies. It will have just over 1000 car parks.

JLL's head of retail investments Simon Rooney negotiated the sale, which is subject to conditions that are expected to be met by mid-2015. He said that 2014 had been the strongest year recorded for subregional centre transactions and tipped this year would also be busy.

"The NSW market has been extremely active in terms of overall investment activity — especially within the subregional sector, with nine subregional sales totalling over \$700m transacted last year," Mr Rooney said.

APN said it would reap a \$500,000 profit on its 5.4 per cent co-investment in the fund and was entitled to a performance fee worth up to \$1.2m.