



Newmark

Media Release

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Newmark purchases flagship Bunnings sites in Sydney and Melbourne

Property investment manager, Newmark Capital, has secured a flagship Bunnings Warehouse property in Sydney's Eastgardens for \$75 million.

Newmark has settled on the Eastgardens property, which follows settlement on a new Bunnings site at Preston in Victoria in February.

These acquisitions continue the growth of its Newmark Hardware Trust, which now has six Bunnings Warehouse properties across the eastern seaboard.

"These are quality additions to the Trust, providing long-term benefits to investors," said General Manager, Funds Management, Stuart Fox. "It demonstrates our commitment to the Large Format Retail sector and our ability to secure quality assets in a competitive market while applying our disciplined approach to asset selection."

The Eastgardens property is the Trust's second acquisition in New South Wales, further enhancing the geographic diversification of the portfolio.

"It is a very attractive metropolitan location in an area where there are high barriers to entry for securing prime real estate," Fox said.

The high-profile Eastgardens site covers 2.3 hectares with a modern, purpose-built Bunnings Warehouse of approximately 14,920 square metres that commenced trading in June 2017. The property serves a large catchment area in Sydney's eastern suburbs that includes the immediate surrounding suburbs of Maroubra, Pagewood and Botany.

Colliers' James Wilson negotiated the sale through an off-market process. "We are experiencing unprecedented demand for NSW retail investments from investors seeking to deploy capital in resilient assets with strong underlying land value, long-term income growth and covenant security. This is a benchmark result and reflects the growing demand of institutional and private capital targeting this asset class," he said.

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Fox said Newmark was exploring other opportunities in the sector “to acquire assets that meet our investment criteria”.

The Preston site will house a Bunnings Warehouse, anticipated to open in May next year.

It occupies a prime location at the intersection of Bell Street and Chifley Drive and will include a new-format, multi-level Bunnings Warehouse of approximately 18,612 square metres, along with 525 carparks.

The Trust has acquired the land, with Bunnings funding and managing the construction works through to completion.

The sale of the Preston site was negotiated by David Butera of Mulcahy Butera and Stuart Taylor of JLL.

Newmark is still considering options for the future capital structure of its Hardware Trust. In the meantime, “Newmark will continue to focus on acquiring quality assets to grow the Trust’s portfolio and deliver returns to investors,” Fox said.

“Newmark’s focus for the Trust is acquiring secure and stable assets that add geographic diversity and strengthen our existing portfolio. Investors have seen that with these recent Bunnings purchases, and our track record over many years.”

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About Newmark

Established in 2011, Newmark Capital is an Australian property investment manager led by respected real estate executives, Chris Langford and Simon T. Morris. Investing exclusively in premium commercial properties on behalf of investors, including the Jam Factory, Como Centre and David Jones Menswear Store (299 Bourke Street, Melbourne Vic), the Newmark team manages assets in excess of \$1.2 billion across single and multi-asset property trusts. With a proven track record of delivering income and strong, long-term returns, Newmark attracts discerning investors seeking exposure to Australia’s pre-eminent, landmark commercial real estate.