

Amigos deal just the start

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RETAIL

INVESTMENT banker Mark Carnegie, advertising guru John Singleton and billionaire retailer Gerry Harvey have beaten out Mirvac Group to acquire the Entertainment Quarter near Moore Park for \$80 million in one of the largest deals negotiated in Sydney this year.

Senior retail executives believe the high-profile deal could trigger a run of transactions in the long-dormant Sydney retail market, with Frank Wolf's Abacus Property Group and Kirsh Group putting Birkenhead Point in the city's inner west on the market with expectations of \$300m.

JLL and McVay Real Estate are understood to be handling the off-market sales process for the shopping centre, which has been upgraded and comes with residential development potential.

The partnership purchased the 32,500sq m centre for \$174m from tycoon Denis Jen in 2010.

McVay were the agents in the Entertainment Quarter sale. Managing partner Sam McVay said the deal reflected the strong demand for tightly held inner-Sydney assets. The sprawling retail, entertainment and leisure development, 3km from the CBD, was sold by the CFS Retail Prop-

erty Trust Group and the wholesale CFSGAM Property Retail Partnership.

"We bought it because we think it's worth more than \$80m," Mr Carnegie said yesterday. "It's worth more than we paid for it."

He would not name the other parties in the consortium, nor would he reveal his plans for the site, saying it was tightly controlled by the Centennial Park Trust. "We are under very tight constraints. We are trying to come up with something that works for everybody," he said.

Mr Harvey said he would be happy to reveal plans "as time goes by". CFS Retail chief investment officer Michael Gorman said: "The sale of this asset is in line with our strategy of divesting non-core assets."

In Melbourne, Federation Centres-owned Somerville Shopping Centre was sold to a private investor for \$42.05m yesterday. Chief executive Steven Sewell said the price represented a 10 per cent premium to book value. The deal was brokered by Mark Wizel and Justin Dowers of CBRE.

"Demand is snowballing and vendors are in a ... position to be able to achieve premium results on even non-prime investment assets without subjecting themselves to the risk of due diligence periods," Mr Wizel said.

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Property Retail Partnership The three new bidders previously worked together in property deals and notably buying parks around Australia including the Birkenhead Point and the Entertainment Quarter. They are trying to add a shopping and dining precinct to the site. Mr Wizel and Mr Dowers are the agents for the site. The deal was brokered by Mark Wizel and Justin Dowers of CBRE.



How The Australian broke the story on Tuesday