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Hurstville Central sale reaps \$120m

RETAIL

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The private syndicate of Cerno and Ashe Morgan has garnered \$119.5 million for the sale of Sydney's busy Hurstville Central transit shopping centre to a US-based private equity fund.

The deal comes at a busy time for retail assets. Vicinity has generated \$631 million from the sale of 11 centres, with SCA Property buying 10 and a private investor snapping up the Belmont Village, Victoria for about \$50 million.

There are 15 assets in the \$1 billion tranche of asset sales, according to Vicinity. With 11 now divested, the remaining assets include Lennox Village in NSW and Halls Head in WA which are both in a joint venture with Challenger and ISPT respectively and the co-owners have preemptive rights.

There is buyer interest on these assets which includes Corio Central, Victoria, which is the largest asset, worth about \$130 million.

Analysts at Macquarie Equities said the remaining Maddington Central needs some repositioning before placing it on the market for sale.

Stockland and Scentre Group have also earmarked some non-

core shopping centres for potential sales.

Cerno bought the site in 2006 and spent \$15 million on renovations that transformed the asset from a neighbourhood-based super centre into the current two-level shopping centre with concourse retail at ground level and service retail and car parking above.

It is anchored by a large Coles supermarket and is the gateway to about 12.5 million commuters and is directly linked to two major bus interchanges.

Agents to the deal, Sam McVay, McVay Real Estate and Stoneridge Property Group's Phil Gartland said the sale result and volume of enquiry during the sale campaign was "extremely strong".

"Hurstville Central is a very complex asset due to its leasehold title and transit interchange integration, but its exceptional location, customer traffic and income growth potential drew solid interest from a broad cross-section of buyers," Mr Gartland said.

"Sydney's phenomenal economic and population growth is making retail investments in metropolitan areas increasingly sought after, particularly those located on or around key infrastructure within a short radius of the CBD," Mr McVay said.