

The two Perth mall deals that have revived the retail market

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Queensland Investment Corporation has cashed out its interest in a Perth mall, Claremont Quarter, in a \$207 million deal that was struck at above book value.

It's one of two big deals inked in Perth this week – Vicinity separately bought a half stake in Joondalup for \$420 million – which have injected a major boost of confidence into the national retail real estate market.



David Jones and Coles are the key tenants at Claremont Quarter in Perth's western suburbs.

In the latest transaction, Hawaiian has bought out QIC's half stake in Claremont Quarter. It gives the Malaysian-backed investment platform full ownership of the shopping centre in one of the city's wealthiest suburbs.

QIC had held the mall on its books at around \$200 million, *The Australian Financial Review* understands.

"While still subject to FIRB approval, the pending purchase price was above QIC's book value, which, if executed as planned, will be a very pleasing result for our investors and QIC," QIC's real estate capital markets director James Doneley said.

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QIC held its half stake for 11 years but looked to sell out to help to meet redemption for two of its unlisted property funds. In a sign of the resurgent interest in the retail sector, around 30 buyers had checked into the data room set up for the Claremont Quarter sale in the past fortnight.

Hawaiian exercised its pre-emptive rights, beating out other would-be buyers and giving it full control over a near 30,000-square-metre mall, anchored by David Jones and Coles. A new dining precinct is due to open in October.

Returning retail confidence

CBRE's Simon Rooney, who managed the Claremont Quarter sale campaign along with McVay's Sam McVay, said the two Perth deals this week showed how confidence was returning to the broader retail sector.

In a separate transaction, the Future Fund sold its half-stake in Lakeside Joondalup for \$420 million [<https://www.afr.com/property/commercial/chadstone-owner-vicinity-beats-guidance-as-occupancy-rates-rise-20240820-p5k3oi>] to ASX-listed shopping centre operator Vicinity. As part of that deal, Vicinity gains the management rights for the mall previously held by Lendlease, which controls the other half of Lakeside Joondalup through its unlisted Australian Prime Property Fund [<https://www.afr.com/link/follow-20180101-p5k3cl>]. The mall generates \$800 million in annual retail sales.

“This signals the strengthening demand for regional shopping centres following a market recalibration,” Mr Rooney said.

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