

FINANCIAL REVIEW

SE **Property**
HD **Chinese** take northern beaches for 40pc premium
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A **Chinese**-backed investor has paid close to a 40 per cent premium to book value for the Dee Why Marketplace on Sydney's northern beaches.

The buyer will pay Sydney investment house Ashe Morgan \$34 million for the centre representing a significant premium to the \$24.4 million book value recorded in June this year.

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The **sale** not only reflects the demand from **China** but also for development opportunities in the northern beaches area.

Ashe Morgan principal Alton Abrahams said the buyer had provided a 20 per cent deposit to secure the **sale** which is due to settle this month. "We have taken advantage of demand in the market for these types of assets and taken some very healthy returns," Mr Abrahams said.

Preliminary calculations by Ashe Morgan indicate that once completed this **sale** will provide its investors with an internal rate of return of more than 25 per cent per year.

The Dee Why Centre, covering just under 5000 square metres is anchored by a Woolworths and eight speciality stores. There is no redevelopment approval in place but the new **Chinese** backed owner is likely to develop the **property** with apartments in mind.

Billionaire Harry Triguboff's Meriton bought the separate Dee Why Town Centre **site** from Brookfield Asset Management last year for a reported \$50 million and has plans to redevelop it into four towers. At the time of **purchase** Mr Triguboff said there was little supply of apartments in Dee Why. Mr Abrahams did not comment on the buyer of Ashe Morgan's retail centre but he said he was happy with the price paid.

He told The Australian Financial Review that Ashe Morgan would now pursue several opportunities in the market. Earlier this year Ashe Morgan **purchased** the \$150 million Harbour Town retail complex in Melbourne and last month it and co-investors Bricktop and Marquette Properties bought the Post Office Square retail complex in Brisbane for \$67 million from Novion **Property Group**.

Ashe Morgan has been looking to raise capital for a new fund which would include the Post Office Square asset. It has estimated that the **property** is already worth more than \$70 million after CBRE brokered a 15-year lease over the busy carpark at the centre.

Ashe Morgan and Bricktop are forecasting the new fund will pay a distribution yield of 9 per cent per year. Ashe Morgan has also **sold** its Marsden **Park** shopping centre in Brisbane's south for about \$50 million to the Queensland Investment Corporation.

The 8000-square-metre centre is an enclosed single-level neighbourhood centre. It opened in 1985 and is anchored by a full-line Coles supermarket and 42 specialty retailers.

The centre has development potential for expansion that may include an additional supermarket and specialty stores which could raise the total gross lettable area to more than 16,000 square metres.

Such redevelopment plays have been front and centre for QIC.

On Wednesday QIC will officially commence major works for its Grand Central shopping centre in Toowoomba,

Key points

IN ireest : Real Estate | icre : Real Estate/Construction

RE austr : Australia | china : China | sydney : Sydney | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | nswals : New South Wales

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