

# THE AUSTRALIAN

SE PrimeSpace  
 HD **GPT eyes \$2.1bn retail pipeline**  
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Diversified property giant GPT Group has identified a \$2.1 billion development pipeline for its retail portfolio including residential and mixed-use projects at key shopping centres.

With a low gearing of about 23 per cent, GPT has been seeking opportunities to invest with chief executive Bob Johnston steering a strategy looking at the group's existing portfolio for organic growth rather than adding to the portfolio through acquisitions.

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The group managed \$8.2bn worth of retail assets across Australia as at June, including shopping centres held on GPT's balance sheet as well as an investment in the GPT Wholesale Shopping Centre Fund (GWSCF).

The \$2.1bn increase in value would mainly come from the repositioning of current shopping centres through expansion and the introduction of new tenants, the group said yesterday in a market update.

"The potential \$2.1bn development pipeline across our retail portfolio gives excellent opportunities to deliver strong investment returns and enhance the experience of our assets for our customers," GPT chief operating officer Mark Fookes said.

The group confirmed the "town centre" development potential for its Highpoint shopping centre in the west of Melbourne that will include hotels, residential towers, health facilities and a university.

GPT has not submitted a development application as yet, but was exploring options to redevelop the centre, co-owned by the listed group, the \$3.9bn GWSCF and the Besen family's Highpoint Property Group.

GPT injected \$157 million into GWSCF last week, lifting its stake from 20.2 per cent to 25.3 per cent and further increasing its exposure to several strongly performing regional shopping centres including Highpoint.

Another property with "town centre" potential was GPT's Rouse Hill centre in Sydney's northwest, with Mr Johnston earlier indicating that the entire Rouse Hill redevelopment could also yield about 1000 homes.

GPT sold two sites at Rouse Hill earlier this year to Chinese developer AUX Group that can yield 152 apartments. The group may also seek joint venture partners to develop future residential projects, according to Mr Johnston. "We are not planning to be a residential developer, but would look to sell or partner," Mr Johnston told The Australian in May.

The group has recently brought experienced residential executive Penny Lloyd on board as development director, residential for the retail portfolio.

The move echoes the ongoing trend to develop mixed-use complexes including retail, residential and other service-based offers as “people are valuing their time and seeking to live in connected walkable communities”, GPT said.

On the retail front, GPT will look to attract more international mini majors, such as H&M and Uniqlo, as the group sees continuing demand from these groups and growth in leisure-based apparel. It recently brought H&M to the Wollongong Central shopping centre, after opening an international retail offering at the Charlestown Square in NSW’s Hunter region in July.

An entertainment and leisure precinct was opened at its Casuarina Square in Darwin in July, as the group looks to enhance the food offering at its malls. GPT and Lend Lease-managed Australian Prime Property Fund Retail last month announced a \$400m redevelopment of the Sunshine Plaza, which they jointly own on the Sunshine Coast.

**CO** gnprop : GPT Group

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