



HD Victorian family buys Tamworth Woolworths for \$38m

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A Chinese-owned Woolworths supermarket and Dan Murphy's in Tamworth sold for \$37.95 million at auction on Friday on a yield of 5.4 per cent, highlighting the strength of the regional commercial property market.

The 4894-square metre full-line supermarket and 1435-square metre big box liquor outlet with 275 on grade car spaces were acquired by a Victorian family who will hold the properties in a trust.

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Selling agents David Lyons, Nick Potter and Sashi Makkapati of Cushman & Wakefield said the success of the auction, held in Sydney, demonstrated there was "plenty of strong interest in regional properties".

"The sale is on a par with what a lot of Coles and Woolworths are selling for across Australia - on yields of between 5 and 6 per cent," Mr Lyons said.

Mr Makkapati said by his reckoning it was the biggest ever auction of a retail property, surpassing the \$29 million achieved for Stirling Central in Perth.

The Woolworths and Dan Murphy's Eastpoint Tamworth was put up for sale by Chinese company Everich International, which had invested in the centre alongside the developer.

Mr Lyons explained the vendors were selling so they could pay out some of the smaller shareholders.

"The developers had money in it and wanted to realise the asset," he said.

The centre is located at the southeastern end of Peel Street, the main retail strip of Tamworth, with direct frontage to the Oxley Highway.

It delivers net annual income of just over \$2 million with more than 18 years to go on the lease.

It follows the recent sale of a new Bunnings Warehouse in Yarrawonga, in regional Victoria, for \$11.5 million on a sub-5 per cent yield to a mainland Chinese investor. The outlet was offered off the plan by builder and developer Pellicano Group.

Selling agents CBRE said it was the first time a Chinese investor had acquired a Bunnings warehouse with the yield a record for a Bunnings store outside a major metropolitan region.

"There is evidence that buyers are gaining more confidence in the performance of key regional cities within Victoria, stemming from increased government expenditure in these regions, along with improved living conditions [mostly related to affordability] driving population growth," said CBRE's Mark Wizel.

At a Burgess Rawson portfolio auction in Sydney in August, small investors showed strong appetite for regional commercial property, with 15 out of 18 properties selling for a combined \$38 million.

CO dtc : Cushman & Wakefield | wolwth : Woolworths Limited

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