

Century back with deals worth \$40m

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Boutique property funds manager **Century Funds Management** has made its first purchases in a year, signing up in December properties in the Sydney metropolitan area and in the NSW regional centre of Griffith for a total of \$39.55 million.

The group's **Century Diversified Trust No. 9** bought an office building in Hurstville and two large-format retail stores at Griffith.

The Hurstville property (\$13.65 million) is at 12 Butler Road. It is less than 100 metres from the railway station, which is to be redeveloped, and is one of only five office buildings in the centre. There is basement parking for 52 cars, ground and five upper levels of offices, with a net lettable area of 3974 square metres.

Total passing net rental is about \$1.05million, with tenants including HCF, St George & Sutherland Community College, Southern Cross Serviced Offices and Shields Underwriting.

Century director John McBain said that on a fully leased basis the building would reap a net yield of about \$1.33 million, and that the deal included a rental guarantee of \$250,000 to the purchaser.

Vendor was Beckwin Investments Pty Ltd and FPD Savills' James Barber was sales agent.

At Griffith, the fund paid \$7.05 million for a homemaker centre anchored by Harvey Norman, and \$18.85 million for an adjoining site with approval for a 21,000 square-metre homemaker centre now under construction and preleased to anchor tenant Magnet Mart on a 20-year basis.

According to Mr McBain, less than 8000 square metres remains to be leased in the 21,000sqm centre scheduled for completion late this year.

The Harvey Norman Centre has a total lettable area of 6960sqm, comprising of three separate buildings surrounded by customer car parking.

Next door, the Griffith Hometown centre will comprise five main single-storey retail buildings with two separate fast food buildings.

The trust will not take on the development role in the project but has entered a payment arrangement that will see it pay for the land upfront and then the balance paid progressively as each of the buildings is constructed and leased.

The vendor will also pay the trust interest of 9 per cent a year based on the value of the 5.868 hectare site in return for the trust "warehousing" the land.

Vendor of both the properties were D & A Salvestrin and J & N Scremin, together with a group of local investors.

Colliers International's Malcolm Tyson handled the sale.

According to Mr McBain, a demographic study commissioned through Urbis JHD has found high population growth between 1996 and 2000 for Griffith, higher than average non-metropolitan income and younger than average residents. Growth in retail spending is estimated to average 2.3per cent a year until 2011.