



— Exclusive

Lowy family-backed fund pays \$40m for Melbourne homemaker centre

Larry Schlesinger Reporter



May 27, 2020 – 8.00pm



A fund backed by Westfield founders the Lowy family has seized its opportunity in the struggling retail property sector, paying \$39 million for a Harvey Norman-anchored homemaker centre in inner Melbourne.

Sydney-based Assembly Funds Management acquired the 22,000 square metre City West Plaza at 484 Ballarat Road in Sunshine North from Sentinel Property Group for its \$350 million diversified property fund (ADPF1).



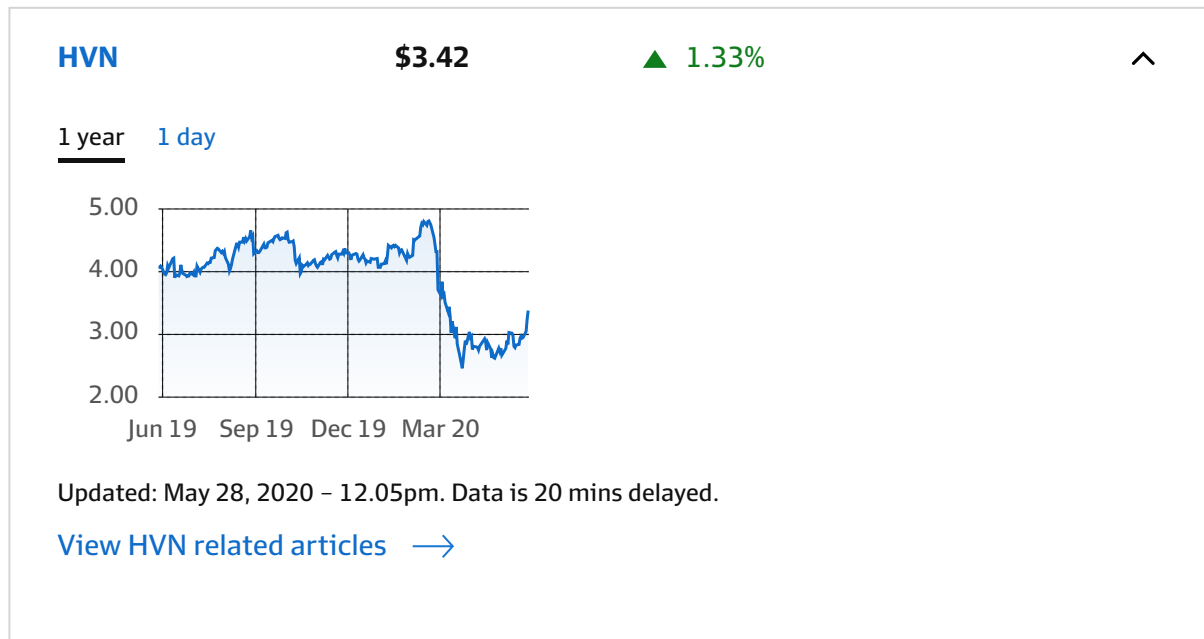
City West Plaza in Sunshine North is spread across four buildings with 13 tenants.

The sale reflected a full-let yield of 6.95 per cent and a passing yield of 5.84 per cent.



Last year, the Lowy Family Group, the private company of [Financial Review Rich Lister Sir Frank Lowy](#) and his sons David, Peter and Steven, [injected \\$75 million into the Assembly fund](#), joining former Westfield chief operating officer Michael Gutman and Sydney-based private equity firm Alceon as co-investors.

RELATED QUOTES



Mr Gutman founded Assembly after Westfield was taken over by Unibail-Rodamco in 2018.

Assembly has partnered with Melbourne-based investment manager Cadence Property Group, with plans to revitalise the asset.



RELATED

Charlie Buxton's Cadence targets \$300m for new syndication arm

Cadence managing director Charlie Buxton, the son and nephew of Rich List developers Andrew and Michael Buxton, said the centre had received limited investment and attention over the past few years.



“We’re big believers in the ongoing growth of Melbourne’s west and in particular the outlook for Sunshine.”

On the vendor side, Sentinel managing director Warren Ebert said the Brisbane-based group was glad to have more than double its equity and also sell its last remaining Victorian asset.

“The decision to sell was based on Sentinel’s strategy of buying at an opportune time and then selling based on our view of the market,” said Mr Ebert.

The off-market sale was brokered by Stuart Taylor of JLL.

He said it confirmed the ability to achieve strong pricing outcomes for well-located retail assets, especially those that have potential for capital investment or further development.”



RELATED

Sentinel sells Hemmant industrial facility in Brisbane to Centuria

“Investors continue to be attracted to retail assets in metropolitan locations given the sector generally offers land-rich sites with low site coverage, providing owners with an ability to drive further value.”

Sentinel paid \$29.5 million in November 2015 for the plaza, one of three assets in its homemaker centre trust.

Mr Ebert has been among those retail landlords urging tenants to negotiate fairly on rent relief.

Sentinel has halved its exposure to retail property from a high of 61 per cent of its portfolio to 31 per cent as of May.

Leading property coverage delivered to your inbox

Sign up to our new weekly Inside Property newsletter