



TRANSACTIONS INGRID WOODROW THU 28 MAY 20

Cadence, Assembly Snap Up \$39m Spot in Sunshine



Cadence Property Group and Assembly Funds Management have acquired a large format retail centre in northwest Melbourne from Sentinel Property Group for \$39 million.

The Harvey Norman-anchored City West Plaza, at 484 Ballarat Road, Sunshine North, comprises a 22,163sq m retail centre spread across four buildings on a 60,754sq m corner site, 14km from Melbourne's CBD.

The asset was sold off-market to a joint venture between Assembly—through its recently launched

first fund ADPF1—and Cadence, in a deal brokered by JLL’s Stuart Taylor for a passing yield of 5.84 per cent.

Sydney-based funds management outfit Assembly is a [partnership](#) between ex-[Westfield](#) chief operating officer Michael Gutman, [rich-lister](#) Frank Lowy's private company the Lowy Family Group and Sydney-based private equity firm Alceon.

Melbourne-based Cadence, which has a national portfolio of \$800 million worth of commercial and industrial-focussed projects in planning or nearing construction, will manage the investment on behalf of the partners.

Sentinel managing director Warren Ebert said City West Plaza—acquired for the Sentinel Homemaker Trust for \$29.5 million in November, 2015—had been a tremendous asset and had development potential under proposed local planning laws for mixed use development of up to nine-storeys.

“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,” Ebert said.

The homemaker centre offers 13 tenancies and 812 car parking spaces and is located opposite the Albion Railway Station and within the Sunshine Town Centre.

Cadence managing director Charlie Buxton said the partners plan to revitalise the asset through a capital works program and rebranding.

“The centre has had limited investment and attention over the past few years and presents a clear opportunity for us to add value through active management and capital initiatives.”

Backed by strong underlying land value and zoned for high density commercial and residential development,

Buxton said the asset carries significant future redevelopment potential.

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

“The property is well positioned to take advantage of a number of these strong thematics playing out,” Buxton said.



▲ The sale of City West Plaza, in Melbourne's Sunshine, further reduces Sentinel's retail footprint after the group earlier this year sold the Riverdale Shopping Centre in the central west NSW city of Dubbo for \$20.17 million.

The sale of City West Plaza comes as shopping centres begin reopening across the country after Covid-19 shutdowns, and further reduces Sentinel's retail footprint after the group earlier this year sold the Riverdale Shopping Centre in the central west NSW city of Dubbo for \$20.17 million.

“Retail made up of 61.34 per cent of the Sentinel portfolio in June, 2015, but this has reduced to 30.58 per cent of the portfolio by May, 2020,” Ebert said.

Established by Ebert in 2010 in the throes of the global financial crisis, Sentinel has a \$1.13 billion national portfolio retail, industrial, office, land, tourism infrastructure and agribusiness assets.

Ebert said despite the Covid-19 economic downturn, Sentinel’s investors had shown interest in increasing their stake in the non-listed real estate investment trust.

“Many of our office, retail and industrial properties have a strong tenant base and provide us with a solid income stream, even in these difficult times.”

In recent months, despite market uncertainty due to the pandemic, the Brisbane-based group [strengthened](#) its foothold in the mining region of Mackay and [offloaded](#) an industrial site in Crestmead.

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#Retail markets #Assembly Funds Management #Harvey Norman
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