

Armada buys Hollywood

Zoë Fielding

Centro's Hollywood Shopping Centre in Adelaide has been sold to Armada Funds Management for \$73 million.

The fund manager acquired the sub-regional mall through two of its funds. Armada's managing director Chris Monaghan said the centre had been well looked after.

"It is an investment grade asset, in very good and presentable condition with a large proportion of its income emanating from high quality major and national tenants," he said.

Armada also owns nearby Ingle Farm Shopping Centre, which it bought for \$82 million in December 2009. It will manage both malls.

Centro Hollywood is anchored by Coles, Woolworths and a full-line Target. It houses two mini

majors, 66 specialty tenancies, kiosks and a Woolworths Plus Petrol Station over 31,212 square metres.

It sits on 11 hectares of land, which allows space for expansion.

The centre generates a total net income of \$7.6 million a year.

The yield on the shopping centre component of the sale is estimated to be in the low- to mid-9 per cent range.

Colliers International's Lachlan MacGillivray managed the sale in conjunction with CBRE's Alistair Laycock and Steven Lerche.

The centre was sold out of the Centro MCS 9 syndicate, one of 25 Centro syndicates that is in the process of being wound up.

Proceeds from the sale would be used to retire syndicate debt. A second centre in the syndicate, Centro Dianella in Perth, is still

on the market after one proposed purchaser withdrew an offer to buy the property earlier in the year.

Investor demand for sub-regional shopping centres has been increasing as the market has stabilise and yields remain attractive.

Mr MacGillivray said despite varying economic conditions and competition from online retailers, the retail sector had always proved resilient.

Last week, Calamvale Central shopping centre in Brisbane sold for \$62 million, in the biggest sub-regional centre transaction in south-east Queensland since 2009.

That centre sold to interests associated with Yu Feng Pty Ltd, a private investor that owns a portfolio of 18 shopping centres in south-east Queensland.