

# Investors splash out \$75m on supermarket retail

**Larry Schlesinger** *Reporter*



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A private investor and Adelaide fund manager Parkstone have splashed out \$75 million on neighbourhood malls and freestanding supermarkets on the east coast as a deep pool of buyers seeks exposure to the non-discretionary retail property sector.

Leading the charge, the Hansen family, founders of ASX-listed [Hansen Technologies](https://www.afr.com/link/follow-20180101-p58pgd) [https://www.afr.com/link/follow-20180101-p58pgd], has cashed in on this appetite selling a freestanding Woolworths supermarket in Eltham in Melbourne's north-east to a private investor for \$35 million on a tight 3.3 per cent yield.



The Woolworths in Eltham sold on a 3.3 per cent yield.

Records show Kymarnam Pty Ltd, directed by Hansen Technologies CEO Andrew Hansen and Marcus Hansen, paid just \$11.05 million for the 3744sq m property in May 2001.

Stonebridge Property Group's Justin Dowers and Kevin Tong alongside Fitzroys' David Bourke, Chris James and Shawn Luo negotiated the sale.

"The sales result for Woolworths Eltham reaffirms the underlying demand for this type of investment product," Mr Dowers said.

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"Given that we had 15 offers on the property and achieved a yield at this level would indicate that although buyers may be anticipating a higher interest rate environment, there is greater concern of holding cash when entering into a higher inflationary period."

Joining the action, three-year-old fund manager Parkstone lifted the value of its portfolio to more than \$100 million [<https://www.afr.com/link/follow-20180101-p56a4t>] after buying a Woolworths supermarket in Wagga Wagga and a Woolworths-anchored neighbourhood centre in Virginia in Adelaide's northern suburbs for more than \$40 million.



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Both deals were struck on sub 5 per cent yields.

Parkstone managing director Tim Wilkin said the purchases were an excellent strategic fit for the fund manager, which has concentrated its holdings in regional NSW and metropolitan Adelaide.

Savills South Australian managing director Rino Carpinelli managed the Virginia transaction, while Savills' national director of retail Investments, Steven Lerche, managed the Wagga Wagga sale.

“While there is a deep buyer pool for a retail asset of this calibre, the price and yield achieved off-market reflects the strength of this sector,” Mr Lerche said.

Parkstone has two more properties in regional NSW – the Riverdale Shopping Centre in Dubbo anchored by Woolworths; and a standalone Woolworths supermarket in Orange.

Last November, Parkstone acquired a shopping centre anchored by a Drakes supermarket in the Adelaide beachside suburb of Semaphore.

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**Larry Schlesinger** writes on real estate, specialising in commercial and residential property. Larry is based in our Melbourne newsroom. *Connect with Larry on [Twitter](#). Email Larry at [larry.schlesinger@afr.com](mailto:larry.schlesinger@afr.com)*