

## Parkstone snaps up Woolworths duo

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PROPERTY investment manager Parkstone has snapped up two Woolworths-anchored retail centres in Adelaide and Wagga Wagga, for more than \$40 million.

The acquisitions include the \$20 million transaction for stand-alone Woolworths Wagga Wagga, that boasts a trading history of more than \$40 million a year, which is set to undergo a major refurbishment.

While Woolworths Virginia was strategically targeted for its catchment of Adelaide's fast growing northern suburbs, with Parkstone planning to undertake a major renovation and re-positioning program with key tenants over the next 12- 18 months.

Both transactions were introduced by Savills, with South Australian managing director Rino Carpinelli managing the Virginia purchases and national director of retail investments Steven Lerche and director of retail investments Rick Silberman managing the Wagga Wagga deal.

"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," said Lerche.

"The new acquisitions are a neat fit with our growth strategy of acquiring predominantly food-based retail properties which meet the needs of non-discretionary spenders and have the potential for income growth through physical improvement and innovative leasing strategies," said Tim Wilkin, managing director of Parkstone.

The off-market purchases see the 2018 established Adelaide-based fund manager's portfolio grow to more than \$100 million in regional NSW and metropolitan Adelaide holdings.

“They also have a natural synergy with our existing portfolio in terms of their regional colocation; the nature of their anchor tenancies; and the shared expectations of their consumer catchments along with the ability to unlock further value via the development of underutilised land,” added Wilkin.

Parkstone’s portfolio currently includes two other properties based in regional NSW, the Woolworths-anchored Riverdale Shopping Centre in Dubbo and standalone Woolworths supermarket in Orange.

“Our experience – points to grocery anchored retail centres in regional locations have continuing to perform well throughout the pandemic with positive sales growth of anchor tenants across the portfolio,” concluded Wilkin.

The acquisition follows the sale of Woolworths Eltham for \$35 million at a sharp 3.3% yield in the successful first major supermarket sales campaign in Victoria.