

Blundy buys bulky goods centre as Mirvac exits

Ben Wilmot

Retail entrepreneur Brett Blundy has defied concerns about sluggish consumer spending to snap up a bulky goods centre on Melbourne's Mornington Peninsula.

His BB Retail Capital (BBRC), a venture co-headed by Darren Holland, has paid Mirvac Group \$44.5 million for the Peninsula Homemaker Centre.

The acquisition is the group's second in bulky goods this year. It

picked up the Caringbah Homemaker Centre in Sydney for \$49 million in February.

The latest purchase makes the group one of the largest private owners of bulky goods retail centres in Australia, with seven major centres and a portfolio spanning more than 180,000 square metres with a total value of more than \$400 million.

The group is also an international retailer that runs more than 700 stores including brands such as Diva and Lovisa across 15 countries.

BBRC chief executive property, Darren Holland, said the purchase confirmed the group's commitment and longer-term confidence in the bulky goods sector.

While the Peninsula Homemaker Centre is fully occupied, the new owner hopes to boost the retail mix with more national retailers.

The centre has been established for more than seven years and is now anchored by retailers including Officeworks, Clive Peeters, BCF and Fantastic Furniture.

BBRC also owns the nearby Cranbourne Homemaker Centre and expects to drive some synergies from the two properties.

BBRC's portfolio also includes centres at Mittagong, Tweed Heads and Warners Bay in NSW, along with Newcastle's new 60,000 square metre Kotara Homemaker Centre.

The Mornington Peninsula site spans 32,100 square metres and includes 30 retail tenancies as well as more than 850 car spaces. The property sits on a prime nine-hectare site

and is close to the Peninsula Link Highway, which is under construction.

It is the only dedicated homemaker centre in the growing Mornington Peninsula, which has a main trade area of more than 147,000 people.

Simon Rooney of Jones Lang LaSalle negotiated the off-market deal and the passing yield was about 10.23 per cent.

The sale, at a small discount to book value, represents Mirvac's exit from the bulky goods sector