

# ALBURY

# CONVENIENCE CENTRE

Albury-Wodonga

618 Young Street, Albury NSW

Information Memorandum



For Sale by Expressions of Interest







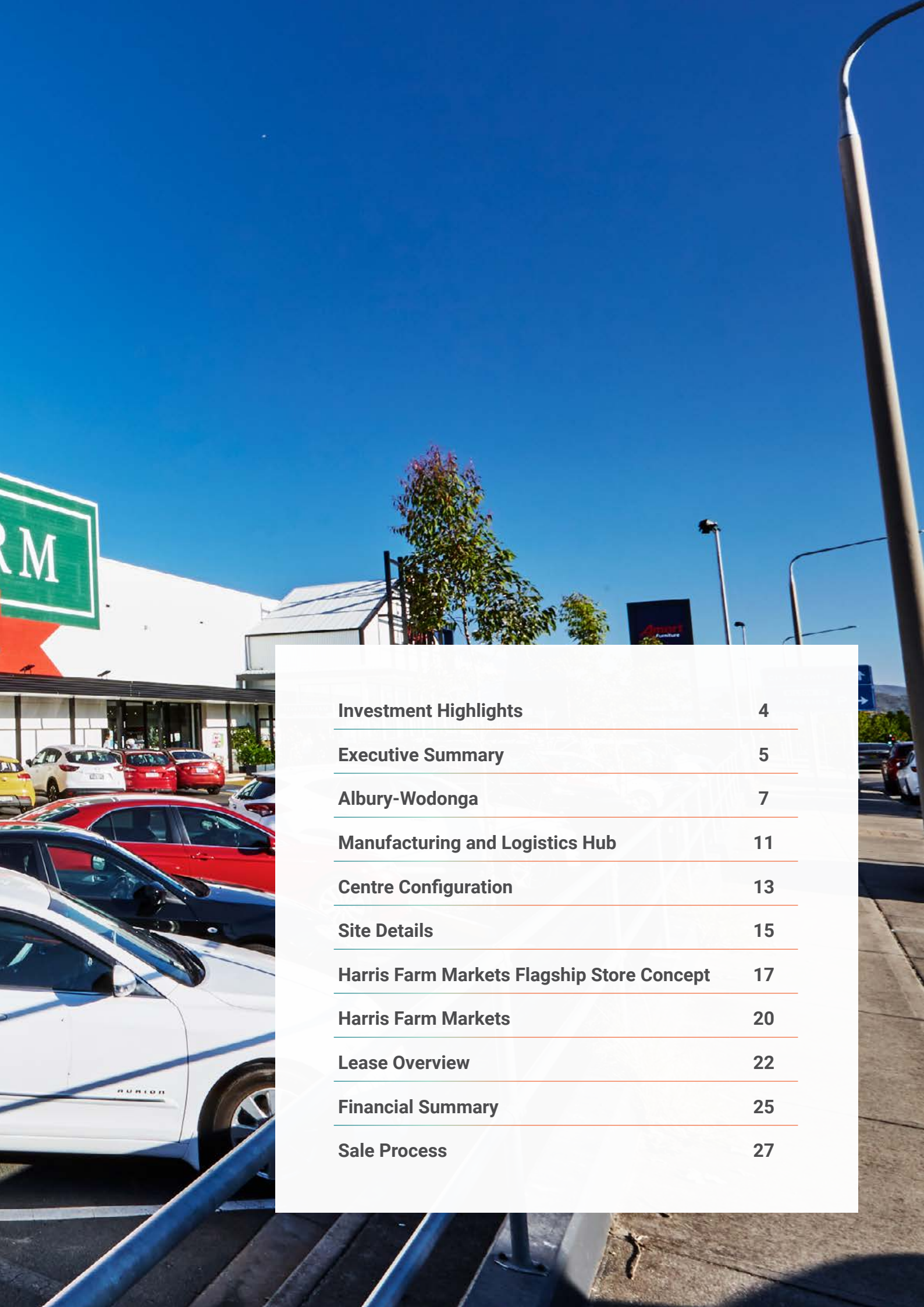
# HARRIS FARM MARKETS

FEAST YOUR EYES ON THESE

THE BEST OF NATURE







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JLL Retail Investments are pleased to offer for sale a 100% freehold interest in the **Albury Convenience Centre**, a brand-new 9,690 sqm daily-needs and convenience based retail investment located in the heart of Albury-Wodonga on the border of New South Wales and Victoria.



Guinea Street (Riverina Highway)

Young Street (Riverina Highway)





Hume Highway

Wilson Street

Note: all figures and information reflected in this information memorandum are approximate as at 1 July 2021 and should not be relied upon for accuracy

13 13 62





\$5.99

ORGANIC WHITE - KG  
\$6.99

PEA  
\$



# INVESTMENT HIGHLIGHTS



**Brand New Daily-Needs and Convenience Based Retail Investment**



**Secure Income Stream with a WALE (by area) of 9.88 years**



**Significant Depreciation Benefits – full refurbishment completed in 2020**



**Anchored by Harris Farm Markets' Flagship store (Largest in their portfolio of 29 stores)**



**High-Profile 14,250sqm Corner site, situated in the heart of Albury-Wodonga**



**Total of 224 car bays of combined at-grade and undercroft parking**



**Albury-Wodonga is Australia's 13th largest non-capital city**

# EXECUTIVE SUMMARY

<b>Property</b>	<b>ALBURY CONVENIENCE CENTRE</b> 618 Young Street, Albury NSW 2640		
<b>Location</b>	Located near the town centre of Albury the daily-needs and convenience centre is located approximately 326km from the Melbourne CBD and approximately 552km from the Sydney CBD.		
<b>Site Area</b>	14,240 sqm		
<b>Zoning</b>	B4 – Mixed Use under the Albury City Council		
<b>Albury-Wodonga Population<sup>1</sup></b>	2021	2036	Avg. Annual Growth Rate
	95,000	126,000	1.64%
<b>Occupancy Rate</b>	100%		
<b>Gross Lettable Area</b>	9,690 sqm		
<b>Car Parking</b>	At-grade car bays: 104 Basement car bays: 120 Total: 2.3 cars per 100sqm		
<b>WALE (by area / income)</b>	9.88 years / 9.83 years		
<b>Net Operating Income</b>	\$1,847,291 p.a		
<b>Method of Sale</b>	Albury Convenience Centre is for sale via an Expressions of Interest closing 4.00pm (AEST) Thursday 22nd April 2021		

<sup>1</sup>Forecast.id.com.au

Please contact the exclusive JLL agents for further information

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# ALBURY-WODONGA

*Located on the New South Wales and Victorian border is a major regional city comprising the cities of Albury and Wodonga. Situated on the border the two combine to form Australia's 13th largest non-capital city with nearly 95,000 residents<sup>1</sup>. The major regional city is forecasted to achieve a population of over 126,000 by 2036 an average annual growth rate of 1.64%.*

Strategically located between Melbourne, Sydney and Canberra on the Hume Freeway the major regional city is approximately 300km north-east of the Melbourne CBD and 570km south-west from the Sydney CBD.

Albury-Wodonga supports roughly 8,000 local business and contribute more than \$7.3 billion in Gross Regional Product (GRP) annually. This is poised to grow substantially as the major regional city is in prime position to become one of Australia's leading manufacturing and logistics hub. Having already established the Nexus and Logic Wodonga industrial precincts, the region has 1,017 hectares of prime industrial land set to capitalise from the Federal Government's once in a generation \$10.9 billion Inland Rail Project.



**126,000**  
By 2036



**1.64%**  
Annual Growth Rate  
(to 2036)



**\$10.9**  
**BILLION**  
Inland Rail Project



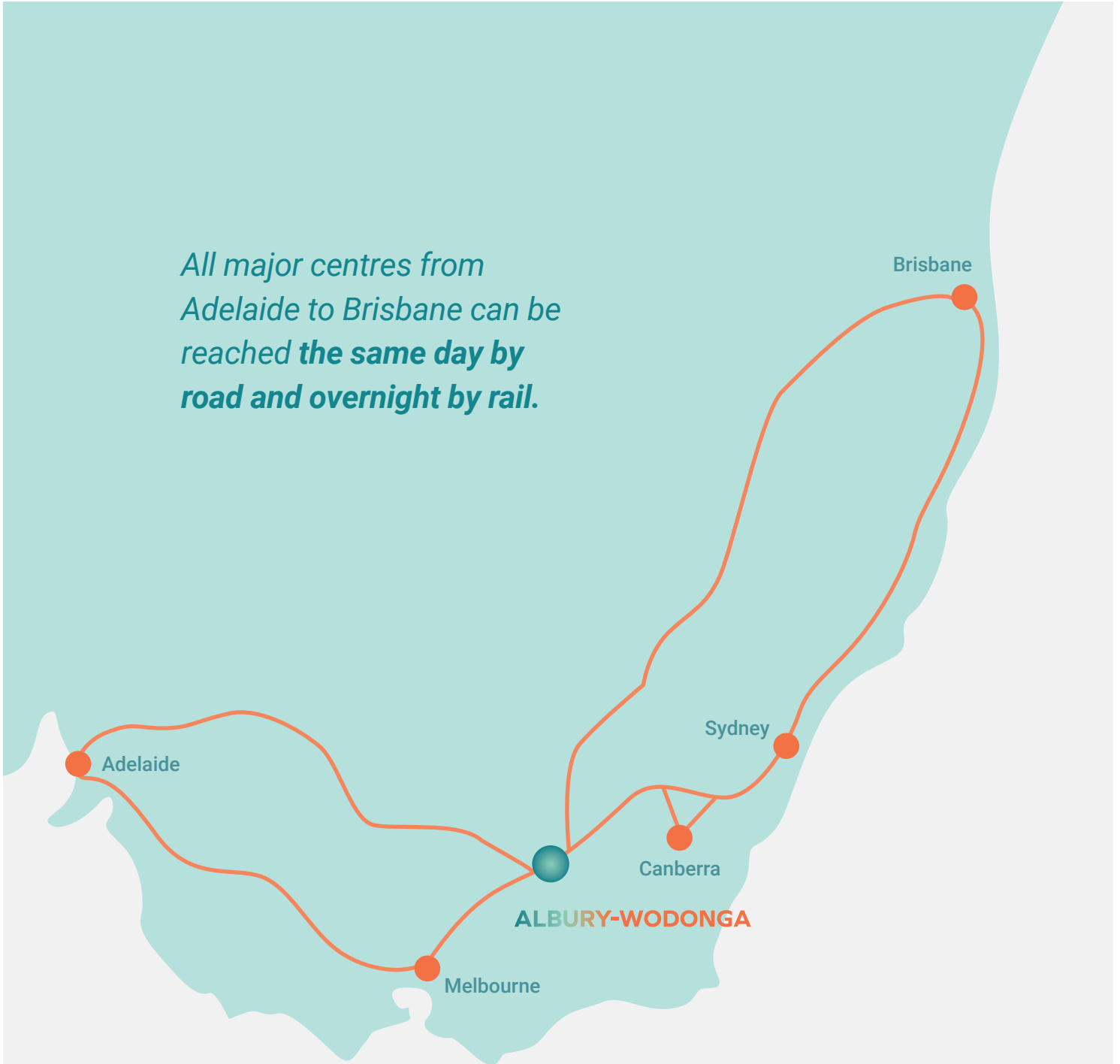
**\$7.3**  
**BILLION**  
annual GRP







All major centres from  
Adelaide to Brisbane can be  
reached **the same day by  
road and overnight by rail.**



#### ALBURY-WODONGA

**Adelaide**  
867km,  
road 10.5 hours

**Melbourne**  
310km,  
road 3 hours

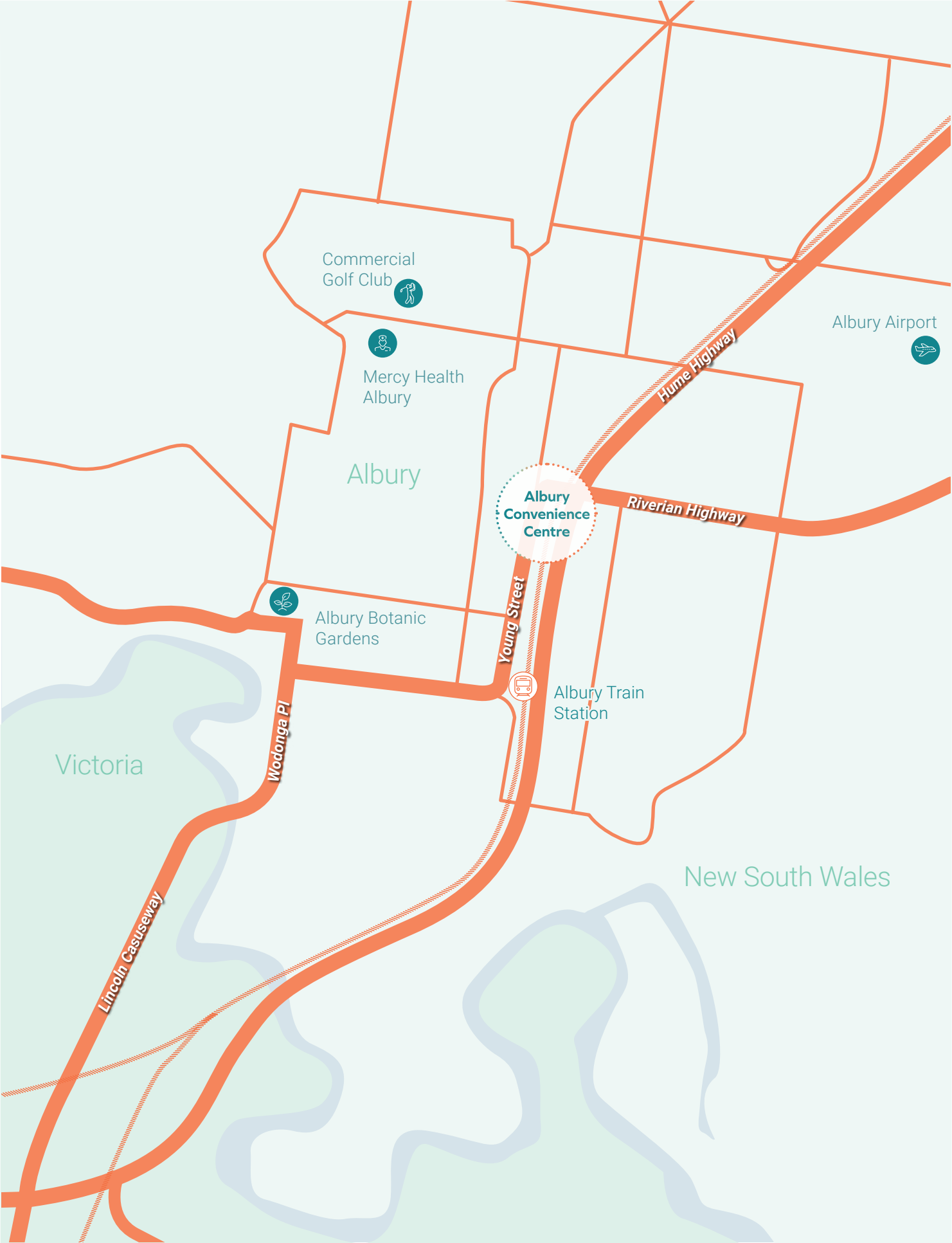
**Canberra**  
367km,  
road 3.5 hours

**Sydney**  
552km,  
road 6 hours

**Brisbane**  
1378km,  
road 16 hours









# MANUFACTURING AND LOGISTICS HUB



Albury-Wodonga is ideally positioned for significant growth in the manufacturing and logistics industry.



Situated along Australia's busiest road freight corridor the four-lane Hume Freeway, Adelaide, Melbourne, Canberra and Sydney are accessible in a single transport run.



The major regional city also provides convenient air support with the Albury Airport, giving manufacturers the opportunity to complete both nationally and international deliveries.



With the completion of the National Inland Railway Project a 17,000km, 10.9 billion project, Albury-Wodonga will be able to service 75% of Australia's population within 24 hours. This will see Melbourne being directly connected to Brisbane via freight.



Being home to TAFE NSW Albury Campus, Wodonga TAFE and La Trobe's Albury-Wodonga Campus the region provides incoming manufactures and logistic focused businesses access to the next generations skilled and qualified workforce.

<sup>1</sup>Blog.id.com.au

<sup>2</sup>Realestate.com.au

<sup>3</sup>REIV Sales & Auctions







# CENTRE CONFIGURATION

Harris Farm Markets Convenience Centre is a newly refurbished Bunnings warehouse, comprising of a premium daily-needs and convenience-based offering. The single level retail centre is anchored by Harris Farm Markets and includes an Amart Furniture Showroom and Warehouse totalling 9,960 sqm.

The centre provides seamless shopping experience with both at-grade and basement parking totalling 224 car bays. Basement parking is accessible via the south end of the property and is serviced by both an escalator and lift providing customers convenient access to the centre.

Guinea Street (Riverina Highway)

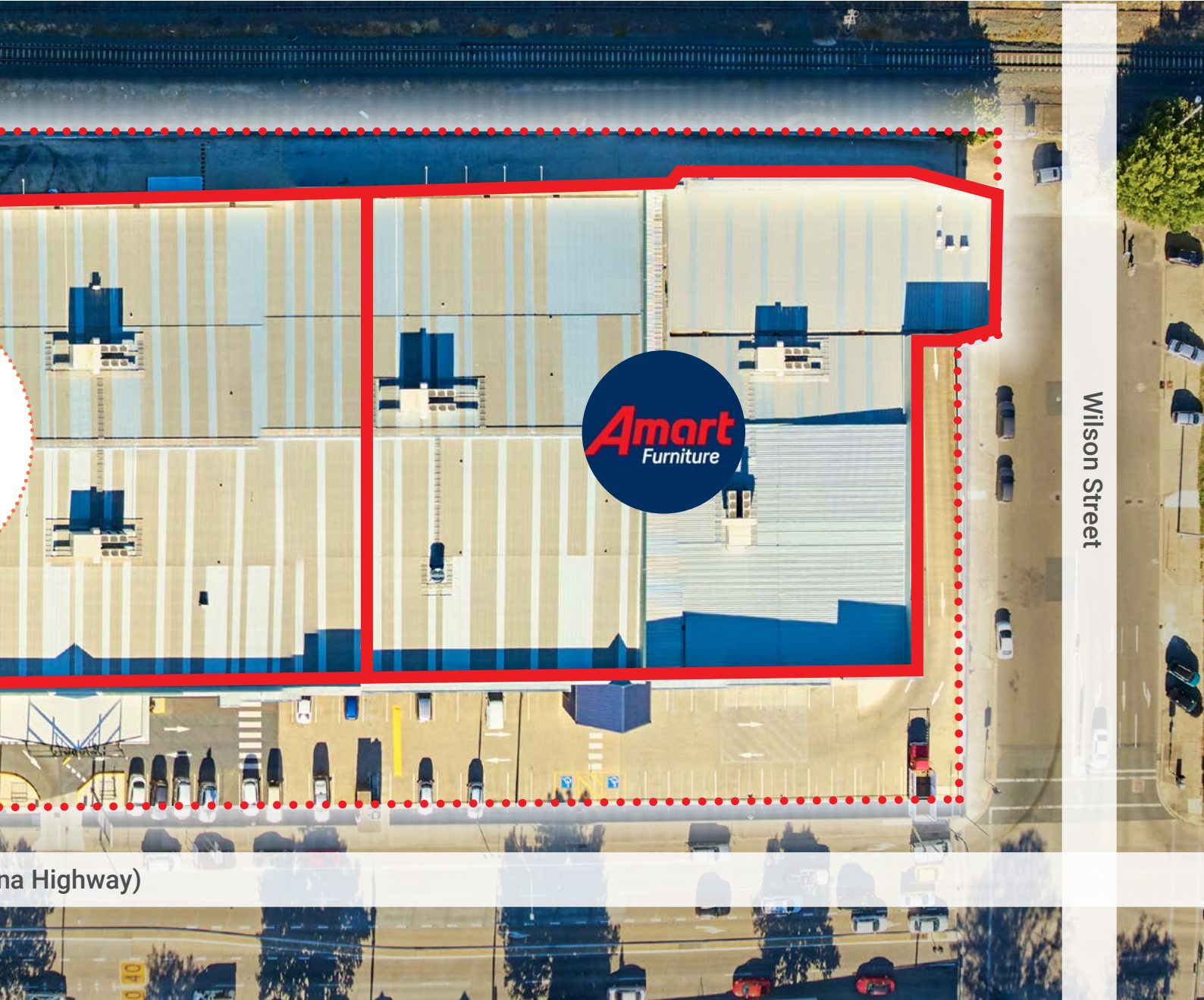


Young Street (Riverina Highway)



### Floor Areas

Tenancy	GLA (sqm)
Harris Farm Markets	4,453
Amart Furniture – Showroom	4,048
Amart Furniture – Warehouse	1,189
Total	9,690





# SITE DETAILS

## ALBURY CONVENIENCE CENTRE

is located near the corner of Young Street and Guinea Street which forms part of the Riverina Highway and leads to both the on and off ramp of the Hume Highway, a major arterial thoroughfare leading to Melbourne and Sydney.

## Title Particulars

<b>Address</b>	618 Young Street, Albury NSW
<b>Tenure</b>	Freehold
<b>Lot / Plan</b>	Lot 1 Deposited Plan ("DP") 1168452, Local Government Area of Albury City, Parish of Albury, County of Goulburn.
<b>Site Area</b>	14,240 sqm
<b>Frontage</b>	Young Street: 201.6 metres Wilson Street: 71.16 metres





**Town Planning Overview**

**Zoning** "B4 - Mixed Use" under the Albury City Council (Albury DCP 2010)

**Key Development Requirements under the Albury DCP 2010**

Minimum Lot Size	300m
Maximum Plot Ratio	3:1
Maximum Building Height	35m



**ALBURY  
CBD**

**ALDI**

**THE SCOTS  
SCHOOL ALBURY**

Riverina Street (Riverina Highway)



# HARRIS FARM MARKETS FLAGSHIP STORE CONCEPT

The Albury Convenience Centre store is the latest and greatest offering by Harris Farm Markets – The new 'Flagship' supermarket in their 29-supermarket network



*i2C is proud to have been involved in bringing this exciting concept to life.*

The new one-of-a-kind store was to be the largest and most ambitious Harris Farm to date, offering a unique destination for the community. The store was designed to offer an abundance of local produce, showcase local retailers, in-house dining options, amenities, and a themed playground for the kids.

An array of consultants worked to develop iconic store features such as numerous shed structures, wall mounted grain silos, giant suspended straws, oversized boat wheels, moving mechanical cogs, and a 4m tall strawberry that smiles and waves at entering customers.

Alive with activity from the moment the doors opened, awe was visible on the faces of both children and adults alike. The uniqueness and sense of fun made the space immediately popular with customers, making it a real landmark for the area.



*We chose Albury because it is the hub of a strong agricultural region with a lot of heritage – and it is home to some of the best producers and growers in Australia,*

Supporting local is key for Harris Farm. We source from local farmers and suppliers, create job opportunities for local residents, and we want to become part of the community by supporting local groups – especially those that encourage kids to engage in healthy eating...

*Says co-CEO Tristan Harris.*















Founded in 1971 with the opening of their first store in Villawood, Harris Farm Markets has been a 100% family owned and operated supermarket chain for 50 years. With 29 stores across NSW and Queensland, Harris Farm Markets has over 3,000 employees.



### *Harris Farm Markets is taking on Coles and Woolworths in the \$90 billion grocery war*

– [News.com.au](https://www.news.com.au)

The independent Australian grocery chain has built a strong following through their outspoken support for local farmers and sustainable initiatives and has established themselves as a strong competitor in the fresh-food industry having maintained a strong market share against ASX-Listed supermarkets.



### *Harris Farm Markets and its expansion*

Having 20-plus stores in New South Wales, and now reaching into Queensland, is not the end of ambition for the Harris family. They do have designs on making it in the other states, with Victoria next in line. That may be some time away, and Harris knows that while Australia is a single country, you do have to take local culture into account when doing so.

– [Food & Beverage News](https://www.foodandbeverage.com)



Harris Farm Markets Co-CEOs – Luke Harris, Angus Harris and Tristan Harris



## LONG TERM OUTPERFORMANCE OF FOOD RETAIL

Food spending has grown consistently over the last two decades and achieved the fastest rate of growth among the major spending categories over that time period (5.2% CAGR).

The only category that outperformed food retailing growth to December 2020 is household goods, with this category being a beneficiary of spending shifts and stimulus over 2020. Food spending typically comprises around 40% of retail trade per annum while household goods generally accounts for 16-20% of trade

### Food spending is resilient and outperforms over the long run

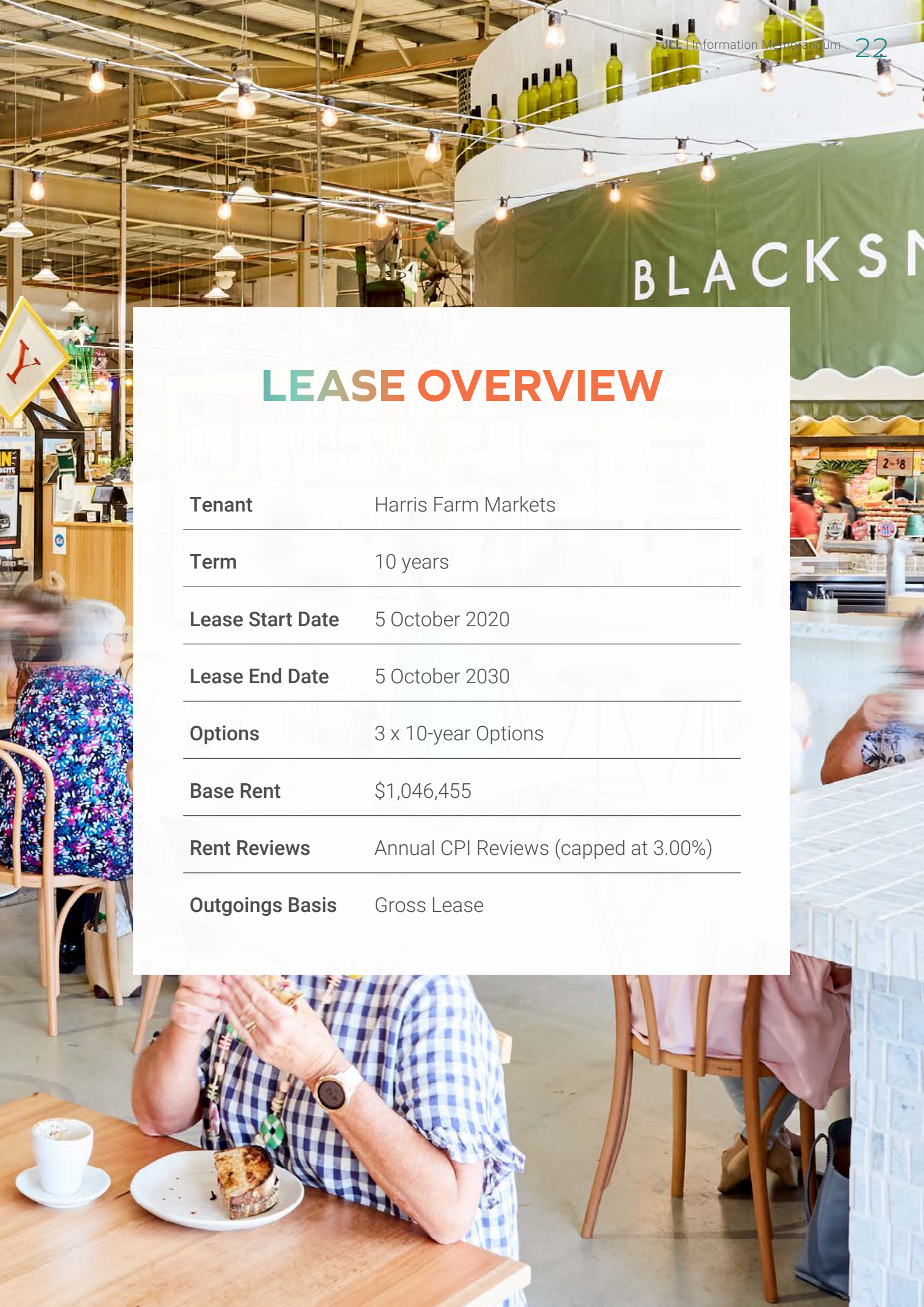
Retail turnover by category

Country	Year-on-year Dec-20	20-year average
<b>Food</b>	11.60%	5.20%
<b>Household goods</b>	17.10%	4.90%
<b>Clothing, footwear, personal accessory</b>	-8.50%	4.50%
<b>Department stores</b>	0.00%	1.90%
<b>Other retail</b>	9.50%	5.00%
<b>Cafés, restaurants and takeaway food</b>	-15.30%	4.30%
<b>Total retail</b>	<b>6.20%</b>	<b>4.80%</b>



# LEASE OVERVIEW

<b>Tenant</b>	Harris Farm Markets
<b>Term</b>	10 years
<b>Lease Start Date</b>	5 October 2020
<b>Lease End Date</b>	5 October 2030
<b>Options</b>	3 x 10-year Options
<b>Base Rent</b>	\$1,046,455
<b>Rent Reviews</b>	Annual CPI Reviews (capped at 3.00%)
<b>Outgoings Basis</b>	Gross Lease







Having been founded in 1970, Amart Furniture over its 51-year history has solidified itself as one of Australia’s leading furniture, bedding and outdoor retailers. Having over 69 stores nationwide it is believed that Amart Furniture generates approximately \$60m in annual earnings before interest, tax, depreciation and ammortisaiton.<sup>1</sup>

Having originally been founded by billionaire John van Lieshout, Amart Furniture is co-owned by Ironbridge and Quadrant Private Equity. Having purchased a 25% share from Ironbridge in 2016 Quadrant Private Equity has boosted the stores performance through increasing scale and diversifying suppliers.

Quadrant Private Equity is a Sydney based mid-market private equity firm with extensive investment experience having led 80 investments across a range of sectors including retail, consumer foods, eCommerce and other sectors. The private equity firm has raised over \$6.4 billion and 11 funds since inception in 1996.

<sup>1</sup>The Australian

**Amart Furniture Showroom**

<b>Tenant</b>	Amart Furniture Pty Ltd
<b>Term</b>	12 years
<b>Lease Start Date</b>	28 November 2019
<b>Lease End Date</b>	27 November 2031
<b>Options</b>	4 x 5-year Options
<b>Base Rent</b>	\$809,600
<b>Current Rent</b>	\$833,888
<b>Rent Reviews</b>	Fixed Annual Reviews of 3.00%
<b>Outgoings Basis</b>	Gross Lease

**Amart Furniture Warehouse**

<b>Tenant</b>	Amart Furniture Pty Ltd
<b>Term</b>	12 years
<b>Lease Start Date</b>	28 November 2019
<b>Lease End Date</b>	27 November 2031
<b>Options</b>	4 x 5-year Options
<b>Base Rent</b>	\$187,267.50
<b>Current Rent</b>	\$192,886
<b>Rent Reviews</b>	Fixed Annual Reviews of 3.00%
<b>Outgoings Basis</b>	Gross Lease





## Household Good Retailers – Market Overview

Large format retail tenants were among the key beneficiaries of changes in spending habits in 2020. Tenant fundamentals are well supported in this sub-sector. Fitness and recreation, home office furniture and equipment, and home renovation categories all recorded a boost in sales as a result of lockdown restrictions. Household goods sales in Australia grew by 17.1% year-on-year in December 2020. In dollar terms, it reflects an additional AUD 10 billion of spending per annum, from AUD 55 billion in the year to December 2019 to AUD 65 billion in the year to December 2020.

The Federal Government announced the HomeBuilder package in June 2020, which includes AUD 25,000 grants to drive new housing construction and renovation activity. The budget for the scheme is AUD 680 million, equivalent to approximately 27,000 grants. Building approvals for detached houses were 33.6% higher in November 2020 than November 2019.

Another key driver of tenant performance in this category in 2020 was that household goods retailers were able to operate throughout the peak of the pandemic in Australia, with many able to practice social distancing due to the large size of most stores. The strong sales performance was reflected in high rent collection rates, which were a key performance metric through 2020. Large format retail centre owners reported the highest rate of rent collection (approximately 90%) through the COVID-19 impacted months, relative to other landlords.

### Household Goods and Total Retail Turnover Growth Australia





# FINANCIAL SUMMARY

## Base Rent

Amart Furniture - Warehouse	\$192,886
Amart Furniture - Showroom	\$833,888
Harris Farm Markets	\$1,046,455
<b>Total Base Rent</b>	<b>\$2,073,229</b>

**Gross Passing Income** **\$2,074,229**

## Less Outgoings Budget

Statutory Expenses	\$100,128
Operating Expenses	\$125,810
<b>Total Outgoings Budget</b>	<b>\$225,938</b>

**Total Passing Net Operating Income** **\$1,847,291**







# SALE PROCESS

## Albury Convenience Centre is being offered for sale by way of an Expressions of Interest campaign closing 4.00pm (AEST) Thursday 22nd April 2021.

Expressions of Interest are not required to be lodged in any prescribed form, however as a minimum must include the following information:

- » Name of the interested party, together with the Principals supporting the interested party and any details of the holding company entity if the interested party is a subsidiary of part of that group of companies.
- » The purchase price for a 100% interest in Albury Convenience Centre, together with the proposed deposit, settlement date and any conditions of purchase, including internal and external approval processes.
- » A list of transaction consultants including the prospective purchaser's solicitor.
- » Full details of the interested party's capacity to complete the transaction in a timely matter.
- » The Expression of Interest must state the amount of consideration in Australian Dollars.
- » At the close of the Expressions of Interest campaign, please submit all Expressions of Interest to the exclusive agents stated adjacent.

## Due Diligence

For further information parties should contact the exclusive selling agents to access the electronic dataroom.

Interested parties should seek independent financial, taxation, accounting, legal and other advice when reviewing this information memorandum and the material provided in the electronic dataroom.

## Inspection

An inspection of the property of the property is highly recommended and can be arranged by appointment with the exclusive selling agents.

## Enquiries

All enquiries regarding the information provided herein or to request an inspection should be directed to the exclusive selling agents.

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KIDS WHO EAT  
THEIR VEG-FRIES  
GET TO...



