

29pc increase in Victoria's regional cities property boom



The Bellarine Village Shopping Centre includes a Woolworths and Dan Murphy's.



by [Larry Schlesinger](#)

Investors have splashed out \$420 million buying retail and commercial property investments in regional Victoria over the past 12 months, a 29 per cent increase over the previous corresponding period.

The key attraction is improving economic fundamentals in regional cities.

"We are now managing a much greater level of inquiry for properties in areas like Geelong, Bendigo, and Ballarat, among others, as the market fundamentals of those cities strengthen on the back of strong population growth and forecasts of more to come," CBRE's Mark Wizel said.

Melbourne's Resofsky family has benefited from this flood of investor capital pouring in. The family has just sold the Woolworths-anchored Bellarine Village Shopping Centre in Geelong for \$36.5 million on a passing yield of 5.8 per cent.

The result was well above market expectations of around \$33 million when it was listed for sale in April. The buyer was a Melbourne private investor from St Albans in the north western suburbs who runs a commercial plumbing business.

The mall sold with four vacancies. Fully-let the yield would have been about 6.3 per cent

Other deals include The Village Bacchus Marsh [bought by Colin De Lutis](#) for \$61.65 million from Abacus Property Group on a seven per cent yield and the TAC Headquarters Geelong, bought by [fund manager Centuria](#) for \$115.25 million on a similar return.

The 10,443-square-metre neighbourhood Bellarine Village Shopping Centre stands on a 2.3-hectare site on the Bellarine Highway and is anchored by a Woolworths supermarket on a 25-year-lease and Dan Murphy's liquor store on a 15-year lease, alongside 16 specialty retailers including The Reject Shop and Hungry Jack's.

It was owned by the descendants of the late Alex and Judy Resofsky, who came to Australia from Europe in 1949, having both survived the horrors of Auschwitz and the Holocaust. Both were much-loved figures in Melbourne's close-knit Jewish community. The pair, who recently passed away, had owned Bellarine Village since April 2009.

The mall was offered for sale by Mark Wizel, Mr Dowers, Kevin Tong and Joseph Du Rieu of CBRE who said the result showed the resilience of non-discretionary retail property amid the over-hyped concerns about the growth of online retail giant Amazon. "People still need to go shopping for their toothpaste and toilet paper," Mr Wizel said.

He added that regional assets could still be acquired at rates of \$3000 to \$5000 per square metre compared with rates of \$10,000 per square metre and more for commercial property in the city centre.

"Regional centres now have all of the fundamental underpinnings to offer investors long-term capital growth and the sort of returns that they would expect from capital city markets.

"Geelong is one of Victoria's fastest growing regions with a forecast 32 per cent increase in population by 2036 and the Bellarine Peninsula is expected to experience an even stronger rate of growth of 63 per cent by 2036."