

Charter Hall builds for Woolworths in Laverton North

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Diversified property group Charter Hall has signed a \$70 million deal to develop and own a new Woolworths fresh food distribution centre to be built in Laverton North in Melbourne's outer west.

The investment reinforces a growing trend of industrial property owners, managers and developers to invest in logistics facilities tied to food refrigeration and storage dubbed by CBRE as the move from "mining to dining".

Other property funds to invest in such assets are the Cromwell Property Group, and the Sydney-based funds managers Corval and Propertylink.

Charter Hall has acquired a 6-hectare plot within the 95-hectare Drystone Industrial Estate on Doherty's Road owned by Citius, a property development and project management group founded and managed by Simon Tobin.

The construction of the distribution centre will be undertaken by Melbourne-based commercial construc-

tion firm Vaughan Constructions, with the completed centre to sit within one of Charter Hall's unlisted industrial property funds.

The funds hold several food distribution centres, including a Woolworths facility at Launceston Airport.

Woolworths will lease the Laverton North distribution centre for an initial term of 20 years.

A Woolworths spokeswoman said the group was investing in fresh food innovation to deliver better products to customers and local jobs.

Both Charter Hall and Vaughan Constructions declined to comment.

At Drystone, Woolworths will join IKEA, which last year struck a \$15 million deal with Citius to acquire a 15-hectare site for an 80,000-square-metre warehouse, one of the largest industrial developments in Victoria.

It is about eight kilometres from Melbourne's docks and close to major road networks including the Western Ring Road, the Westgate Freeway, Princes Highway, Western Highway and the Deer Park Bypass.

Citius bought the Laverton North site in 2006 for \$40 million, paying around \$42 a square metre.

At the time it was zoned for rural use. Now zoned for industrial use, IKEA's 15-hectare acquisition was done at around \$100 a square metre.

Land sales at Drystone have been negotiated by Nathan Bingham, Cameron Hunter and Nick Saunders of Colliers International alongside Andrew Macqueen, Matt Crofts and Joel Davy of Knight Frank.