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# Consolidated Properties and CVS Lane join for \$600m retail fund



Consolidated Properties executive director Craig O'Donnell, executive chairman Don O'Rorke and managing director retail and commercial Kieran Cox are launching a \$600 million fund with CVS Lane.

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by [Matthew Cranston](#)

A new partnership between Consolidated Properties Group and the Liberman family-backed CVS Lane Capital Partners has launched a fund that will target up to \$600 million of shopping centre properties throughout Australia to hold through the property cycle.

The fund will lead to the establishment of a portfolio of at least 12 supermarket-anchored neighbourhood shopping centres nationally, many for which will be anchored by leading retailers such as Coles, Woolworths and IGA.

Consolidated Properties executive chairman Don O'Rorke said the company had engaged former CBRE national director of retail investments Craig O'Donnell as an executive director to jointly spearhead the retail strategy.

Mr O'Donnell will join CPG managing director of the retail and commercial divisions, Kieran Cox, who together have been involved in retail transactions valued at more than \$6 billion.

Mr O'Rorke said Mr O'Donnell's appointment aligned with the Retail Partnership's strategy to source retail assets with development or value-add potential and to fast-track the growth of the portfolio.

The seed assets will include Casuarina Village – a new neighbourhood centre comprising a 2500-square-metre full-line Coles supermarket together with 12 specialty stores covering a further 1300 square metres and parking for 237 vehicles.

Others include the Woolworths-anchored Neighbourhood Shopping Centre at Karalee near Ipswich.

The Retail Partnership will also develop the retail component of the broader \$850 million Yeerongpilly Green urban village development in Brisbane, which will be anchored by a major supermarket.

Mr O'Donnell said the Retail Partnership will look to deliver a series of market-leading, high-quality retail environments nationally.

"The centres will be held in the portfolio post-completion and actively managed through their initial trading period until a secure and stabilised income stream is established," he said.

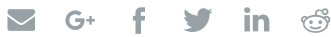
CVS Lane managing director Mr Lee Centra said CVS Lane was delighted at Craig's decision to join the Retail Partnership with CPG.

"We believe Craig will provide enormous impetus to our strategy to grow our initial portfolio of three assets to the target portfolio of 12," he said.

"Supermarket-anchored, neighbourhood shopping centres are a defensive source of yield, and combined with the upside from development and value-add through our partnership with CPG, we believe this represents a very attractive asset class for our investors."

There has been continued yield compression during the past 12 months with yields for such assets about 6 to 6.5 per cent, and there is an expectation that the yields will continue to tighten

Mr O'Rorke said barriers to entry in the sector remained relatively high as a result of the challenges and complexities associated with sourcing sites and gaining approvals.



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