

## BB Retail Capital's Brett Blundy prepares to launch a new trust

KYLAR LOUSSIKIAN THE AUSTRALIAN AUGUST 07, 2014 12:00AM



BB Retail Capital's Brett Blundy outside the Diva jewellery store at Sydney's Circular Quay Source: News Limited

**AUSTRALIAN rich-lister Brett Blundy's private investment company, BB Retail Capital, is close to finalising the purchase of the Wendouree Homemaker Centre in Ballarat, Victoria, as it gears up to launch a new retail fund.**

The BBRC Diversified Retail Fund will eventually be worth about \$110.9 million, with three existing Blundy-controlled assets in regional NSW — Highland Hub in Mittagong, Warners Bay Homemaker Centre and Tweed Hub in Tweed Heads — also being transferred into the new wholesale trust.

The trust's launch will help bolster the BBRC fund management operation, which has been the subject of speculation that it may eventually float on the Australian Securities Exchange.

The 18,786sq m Wendouree Homemaker Centre is being sold by an unlisted fund run by Australian Unity Investments, which first flagged a sale of the property in early 2012, when it was looking to reduce debt.

Australian Unity declined to comment on a sale price, although it confirmed a process had been under way since April. It is thought the centre is worth between \$25m and \$30m.

The new fund will operate for seven years unless wound up earlier, with Blundy hoping to raise \$54m in capital. It will also take on \$66.5m in debt. The vast majority of the portfolio's income, 88 per cent, will come from national retailers such as Officeworks, The Good Guys, First Choice Liquor and Spotlight. Bulky-goods owners have emphasised that these groups are performing well, despite concerns about weaker discretionary spending.

The properties are 92 per cent leased, with a weighted average lease of 4.1 years, and returns are forecast to be about 9 per cent per year, according to documents seen by The Australian.

BB Retail Capital already owns and manages an extensive portfolio of homemaker centres across Australia, as well as stakes in a number of retail brands including Bras N Things, Diva, Dusk and Adairs.

Mr Blundy, who is worth an estimated \$945m, began buying homemaker centres in 2005, selling his stake in Sanity Entertainment Group, with which he had a long association, in 2009. Last year he moved the business's headquarters to Singapore to pursue international retail opportunities.

He famously expanded his diversified business empire from one Victorian record store to a 238-store chain. An encounter with "an awful beige bra" in 1986 spurred his decision to acquire female lingerie franchise Bras N Things, he told a Singaporean magazine recently, beginning a series of purchases of female-focused brands.

His last shopping centre deal was a year ago when BBRC finalised the \$88m purchase of the Belrose Supa Centa in Sydney's north. That capped a \$240m buying spree for BBRC over the year.

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