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## Redefine gets into Australian property market

In a partnership deal with ASX-listed company, Cromwell Property Group, Redefine Properties has completed its maiden direct offshore property acquisition, obtaining a 50% share in Northpoint Tower located in North Sydney, Australia. The purchase consideration is AU \$279m, which approximates an 8% income yield.



Sydney from the air. (Image: Rodney Haywood, via Wikimedia Commons)

It has a 12.9% direct holding in Cromwell and a further 13.2% indirect holding through Redefine International. The property is 50% geared and the company has funded its equity portion by leveraging its directly held Cromwell shares in Australia. As a result, the acquisition will be earnings enhancing for Redefine investors from the initial year of ownership.

Redefine CEO, Marc Wainer, says a property of this quality, which includes the potential for expansion, at the sort of yields obtainable in Australia, is unmatched in the South African market. Particularly given that the company's average cost of funding this transaction is around 6%.

Northpoint comprises 30,000m<sup>2</sup> of offices in a 37-storey office tower. It also includes 5,000m<sup>2</sup> retail space and 420 parking bays. It includes an opportunity to expand its retail by a further 5,000m<sup>2</sup> and improve the existing retail offering.

"We are excited to partner on this acquisition and have no doubt that, under Cromwell's management, significant value will be added to this asset. The company will actively pursue similar joint ventures with Cromwell and Redefine International in the future," he concludes.