

## ASX Announcement

---

4 April 2016

### **Vicinity commences \$350 million redevelopment of Mandurah Forum**

Vicinity Centres (Vicinity, ASX:VCX) and ISPT today announced the commencement of the extensive revitalisation of the jointly owned Mandurah Forum in Western Australia (WA) to create a Major Regional shopping centre<sup>1</sup> with the introduction of the first next generation David Jones store into WA anchoring an upgraded fashion offer at the centre, which will also include an enhanced food and dining offer. The launch of this project closely follows three successful development completions by Vicinity over the past month at Halls Head Central in WA, also jointly owned with ISPT, Colonnades Shopping Centre in South Australia (SA), and DFO South Wharf in Victoria (VIC).

Mr Angus McNaughton, CEO and Managing Director of Vicinity, said: “We are excited to commence the next major project in our \$3.1 billion development pipeline (Vicinity share \$1.5 billion). This \$350 million project (Vicinity share \$175 million) will reinforce Mandurah Forum’s position as the primary retail destination in one of Australia’s fastest growing regions. The redevelopment will include an extensive renovation to the existing centre and a significant expansion, and will transform Mandurah Forum into one of WA’s leading Major Regional shopping centres, creating a new retail heart for southern Perth.

“This will be the fourth development partnership for Vicinity and ISPT, following the successful development completions at Cranbourne Park, VIC, in September last year, Halls Head Central last month and Warriewood Square in New South Wales which completes in June this year.”

Mr Jonathan Timms, Executive General Manager of Development of Vicinity, added: “This transformational redevelopment in southern Perth will create a strong focal point for one of the fastest growing catchments in Australia with 2.8% population growth per annum forecast between now and 2030<sup>2</sup>.

“Almost doubling in size with the addition of a further 26,200 sqm of new retail floor space together with a complete revitalisation of the existing centre, an exceptional retail destination offering a superior customer experience will be created at Mandurah Forum designed for the growing local community and visitors to the popular Peel tourist region.

---

<sup>1</sup> As defined by the Property Council of Australia.

<sup>2</sup> Forecast by Urbis.

#### **Vicinity Centres**

Chadstone National Office  
Chadstone Shopping Centre  
1341 Dandenong Road  
PO Box 104  
Chadstone VIC 3148

T +61 3 9936 1222  
F +61 3 9936 1333  
vicinity.com.au

Vicinity Limited ABN 90 114 757 783  
and Vicinity Centres RE Ltd  
ABN 88 149 781 322  
As responsible entity for:  
Vicinity Centres Trust ARSN 104 931 928

“The new centre has been designed for easy access and navigation through a ‘race track’ configuration with several cross malls to improve sight lines, enhancing the customer experience. The development will introduce a 4,000 sqm David Jones store and a 5,700 sqm Target store to complement the existing majors in the centre – Kmart, Big W, Coles and Woolworths. On completion, the centre will have over 220 stores.

“Along with being a destination for premium and mainstream fashion, post development the centre will include a range of food and dining offers. It will include a café and restaurant precinct with al fresco dining options designed around a water oasis, a contemporary café terrace-style food court with some outdoor seating, and a food market hall offering both fresh food and convenience items. The centre will also feature children’s play areas to further enhance the family offer.

“Parking will be significantly improved with the creation of a new multi deck car park and shaded rooftop parking, together with upgraded on-grade parking, increasing the number of car spaces from approximately 2,300 to over 3,000.”

The project will be launched at an event held today at the centre attended by the joint owners and accompanied by WA Premier and Minister for Tourism, the Hon Colin Barnett MLA, WA Minister for Planning, the Hon Donna Faragher MLC, Member for Canning, Mr Andrew Hastie MP and other key stakeholders including the City of Mandurah Mayor and councillors, as well as representatives from local tourism and development bodies.

The project is forecast to generate an initial yield on cost of greater than 6% and an internal rate of return (IRR) of greater than 10%, with completion forecast for 2018.

#### Key asset metrics

	Pre development	Post development	Net movement
Centre GLA (sqm)	38,300	64,500	26,200
Number of tenants	140	220	80
Total majors	4	6	2
Car spaces	2,300	3,000	700

Commenting on recent appointments within Vicinity’s Development team, Mr McNaughton said that Vicinity now had one of the largest and most experienced retail property development teams in Australia and the largest property management and leasing teams on the ground in Perth, making Vicinity well placed to capitalise on opportunities in WA.

The commencement of this project closely follows the successful completion of three redevelopments over the past month in WA, SA and VIC.

The \$55 million redevelopment (Vicinity share \$27 million) of Halls Head Central, WA, more than tripled the size of the existing Neighbourhood centre to 19,000 sqm. The centre now includes a new Kmart, a transformed Coles, 55 specialty stores, a new casual dining precinct with a dedicated al fresco space and will also be home to one of WA’s first Aldi supermarkets, opening in June. Accordingly, the centre has now been reclassified as a Sub Regional centre. The project opened on schedule, ahead of budget, 100% leased, with an initial yield on cost of greater than 9% and a forecast IRR of greater than 15%.



The \$51 million redevelopment (Vicinity share \$26 million) of Colonnades Shopping Centre, SA, included increasing the retail floor space by approximately 16,500 sqm to 83,100 sqm. The revitalised centre now has a transformed and expanded Woolworths and a new Aldi, anchoring a market-style fresh food hall and al fresco dining precinct. The project finished ahead of budget and on schedule, was 100% leased, with an initial yield on cost of greater than 9% and a forecast IRR of greater than 13%.

A \$13 million project (Vicinity share \$10 million) at DFO South Wharf, VIC, comprised a food court and mall upgrade, as well as the addition of 22 new specialty stores in a previous mini major tenancy. Additionally, 19 other specialty stores were reconfigured as part of the project. The project opened on schedule and ahead of budget, with an initial yield on cost of greater than 18% and a forecast IRR of greater than 25%.

**ENDS**

**For further information please contact:**

**Penny Berger**

Head of Investor Relations

T +61 2 8229 7760

E [penny.berger@vicinity.com.au](mailto:penny.berger@vicinity.com.au)

**About Vicinity Centres**

Vicinity Centres (Vicinity or the Group) is one of Australia's leading retail property groups with a fully integrated asset management platform, and over \$23 billion in retail assets under management across 95 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 85 shopping centres and manages 38 assets on behalf of Strategic Partners, 28 of which are co-owned by the Group. Listed on the Australian Securities Exchange under the trading code 'VCX', Vicinity has over 25,000 securityholders. For more information visit the Group's website [vicinity.com.au](http://vicinity.com.au), or use your smartphone to scan this QR code.

