

## Farmlands sells 6 stores across North Island for \$11.6 million

*- High auction turnout driven by the Farmlands brand and quality building assets -*

**TAURANGA**, Monday 11 April 2011—Farmlands, the North Island’s largest rural co-operative retailer, has sold six of its stores at auction - five under the hammer and one sold unconditionally later - on a sale and leaseback basis as part of the company’s growth and new stores roll-out strategy.

The auction, which was managed by Colliers International and took place on 8 April in the Sebel Hotel, Tauranga, saw six stores on a twelve year leaseback to Farmlands go under the hammer, with the successful sales realising more than \$11.6 million.

Details of the sales, which achieved a price range of \$1.75m-\$2.11m, are as follows:

1. Putaruru – sold for \$2.11 million, at a yield of 7.82%
2. Paeroa – sold for \$2.07 million, at a yield of 7.97%
3. Taihape – sold for \$2.08 million, at a yield of 7.92%
4. Opunake – sold for \$1.80 million, at a yield of 8.44%
5. Waipapa – sold for \$1.75 million, at a yield of 8.69%
6. Kaitaia – passed in at auction but later sold unconditionally for \$1.85m, reflecting a yield of 8.92%

Colliers International Director Alan McMahon, who managed the auction marketing process for Farmlands, says that interest in the properties was high, with multiple active bidders on most buildings, both present and by phone.

“The stores attracted national and international interest, with around 100 people at the auction and many having registered from out of town after travelling specifically to attend. The high turnout is no coincidence, given the success and strength of the Farmlands brand, the quality of the building assets and the success of the 2009 property sales.

“New buildings such as these, leased long-term to high-calibre tenants like Farmlands, are rare property investment opportunities, particularly in our smaller centres. Investor demand for top-quality, well-leased commercial property remains strong, and quality properties such as these with strong leases in place and in this value range attract serious buyer interest.”

Farmlands Chief Executive Peter Ellis said: “As with the 2009 auction, we are delighted with the interest and the results. Four of the six purchasers are shareholders, and their further investment is a vote of confidence in our business.”

Pat Turley of property advisory Turley & Co led processes and strategies for Farmlands. Turley says he was extremely pleased with the auction results. “The support found for Farmlands and the lease was excellent. It was great to have our expectations affirmed,” he said. “The average sale yield of 8.27 percent for provincial location properties was strong confirmation of the offering made by Farmlands. Colliers’ marketing and auction execution was excellent.”

The auction follows the hotly-contested sale and lease back of seven stores in November 2009 for Farmlands, which sold for between \$1.5 and \$2.4 million, realising \$12.8 million.



**For more information, please contact:**

- Alan McMahon, [alan.mcmahon@colliers.com](mailto:alan.mcmahon@colliers.com), mobile: 021 677 886
- Pat Turley, project manager, Turley & Co Ltd, [pat@turley.co.nz](mailto:pat@turley.co.nz) (021) 33 33 93