

## Coles heads west to super site to keep prices down

**Ben Wilmot**

Coles is moving into a massive warehouse facility in Melbourne's western suburbs as major retailers consolidate their operations.

The move comes as retailers strive to make savings in a tough environment. K-Mart also has a facility of about 70,000 square metres in Laverton in Melbourne, and Woolworths has anchored Mirvac's Hoxton Park development in Sydney.

"That's definitely the way the bigger retailers are going," LOGOS

Property joint managing director Trent Iliffe said. "There's a lot more larger space inquiries in the market."

A number of companies have space requirements in the 40,000 sq m range out for tender in Sydney and Melbourne.

Mr Iliffe said that container volumes were also up and larger warehouses could accommodate a greater range of products.

Coles had in effect outgrown a nearby 45,000 sq m facility in Melbourne and would shift into the new 80,000 sq m facility in Melbourne's

Truganina. The facility was developed by LOGOS Property and was bought by Andrew Roberts' RF Capital last year for about \$60 million.

Coles is occupying the facility on a 20-year lease and has expansion capacity for another 10,000 sq m.

LOGOS Property joint managing director John Marsh said the Coles facility had new-generation supply chain technologies that large corporations demanded. It was built by Vaughan Constructions on land purchased from Nick Bernardo of Bertin Investments. Consultant XAct

Solutions advised Coles on both supply chain and real estate issues.

Mr Iliffe said Coles had a footprint of more than 150,000 sq m across LOGOS facilities.

"We have a long-standing relationship with Coles and hope to be able to continue to grow with great clients like these," he said.

LOGOS, which is focused on logistics assets and pre-lease development has projects in Sydney, Melbourne and Perth. The group's capital partners include Singapore's GIC Real Estate.