

Gunton's NZ Retail Property Group listing with development potential

 stuff.co.nz

July 16, 2017



The new Milford Shopping Centre.
Photo by: SUPPLIED

NZ Retail Property Group shopping centre owner's Stock Exchange listing will be the first new property listing in several years and will have assets of about \$575 million.

This compares with heavyweights like Kiwi Property with portfolios including Sylvia Park in Auckland and Northlands in Christchurch at about \$2 billion.

The NZRPG listing appears to be a succession plan for interests associated with Mark Gunton who established the company 30 years ago.



New Zealand Retail Property Group chairman Mark Gunton.
Photo by: SUPPLIED

The back door listing or reverse takeover will be through shell NZX company, Bethunes Investments, formerly Mowbray Collectibles.

READ MORE:

*** Council's million dollar legal bill for Westgate development**

*** Milford mall development gets approved**

Companies choose back door listings to save on compliance fees or because they do not qualify for a public offering process for some reason.

The shareholdings in NZRPG were recently restructured in preparation for the listing but they represent Gunton's interests.

The company owns three Auckland retail centres - Westgate Shopping Centre, Milford at Takapuna, Highbury, plus Fraser Cove Shopping Centre in Tauranga.

In a recent information road show, Gunton emphasised how 40 per cent of NZRPG's land holdings - including some yet to be purchased - will be ripe for development, with increased earning potential.

For example, at Westgate it has plans for new bulk retail shops, trade centres, commercial buildings and high rise apartments.

Ad Feedback

At Milford, currently being expanded and upgraded, NZRPG is building the first of several luxury apartment stages above the retail centre.

"With the bulk of assets in the Auckland area, the company is well positioned to take advantage of the

promised growth in Auckland's population in the next 10 to 20 years," according to NZRPG.

The value of the NZRPG shares is yet to be revealed.

Upon completion of the reverse listing the board of NZRPG will include chairman Paul Duffy, Mark Gunton, Bruce Cotterill and lawyer Sean Joyce.

Duffy is chairman of listed property syndicator Augusta Capital. He and Cotterill are also directors of shopping centre owner NPT, on Augusta's recent nomination.

The joint lead managers of the float are Forsyth Barr and Deutsche Craigs.

Existing Bethune shareholders will benefit by receiving \$1.1m worth of NZRPG shares on a pro-rata basis, and non-renounceable bonus options to purchase additional new shares at a discount, according to Bethunes chairman Chris Swasbrook who is also managing director and founding shareholder of Elevation Capital.

The Bethunes share price has risen in recent weeks to as high as 23 cents a share before settling back to 17c, compared trading at 4c most of last year.

- Stuff