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# Singaporeans cop 27pc loss on former Metcash warehouse sale

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The Singapore-listed ARA Logos Logistics Trust (ALOG) has taken a hefty capital loss on an industrial asset after selling a former Metcash-leased cold storage warehouse and office in Adelaide to local investment outfit led by Jason Di Iulio.

The trust, which has 17 of its 27 properties in Australia, said it had reached agreement to sell the property at 404-450 Findon Road in Kidman Park to Mr Iulio's 1835 Capital for \$41.5 million.

While this reflected a 3.8 per cent premium to its December 2020 book value of \$40 million, the sale price was 27 per cent less than the [\\$57 million the trust paid for the property in 2015](#). At the time ARA Logos was called Cache Logistics.

When it acquired the 59,000 square metre distribution facility, it was leased to grocery wholesaler Metcash for another 4.6 years on a yield of 8.9 per cent.

Last year, Metcash moved into a new 68,000 square metre warehouse at Gepps Cross developed by Charter Hall.



The warehouse was previously leased to Metcash.

According to the ARA Logistics website, the warehouse had a book value as of December 2019 of \$47.5 million. A year later it was worth just \$40 million.

A spokeswoman for the trust said Metcash was still leasing the warehouse.

The trust said the proposed divestment was in line with its “proactive asset management strategy to rebalance ALOG’s portfolio where capital is intended to be redeployed to building a more resilient portfolio”

“Over the past few years, ALOG has selectively divested lower-performing properties with limited growth potential.”

Karen Lee, CEO of the trust’s manager, said the sale of the Adelaide facility would provide it with the financial flexibility to recycle capital and invest in other value-adding properties.

On the buyer side, 1835 Capital is headed by Adelaide-based Jason Di Iulio.

Mr Di Iulio founded financial services group Finance Mutual Australia in 1998 and has been managing director of 1835 Capital since 2015.

According to his LinkedIn profile, since 2000, he has been active in property circles, “personally developing, investing, and advising on some of South Australia’s largest real estate transactions and developments”.

Mr Di Iulio says he has managed over \$750 million of investments through the administration of various investment portfolios.

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