

Melbourne Airport lands Reece as a tenant



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Melbourne Airport may have quiet runways as a result of the pandemic, but it has just landed another client for its business park in the form of ASX-listed bathroom and plumbing products supplier Reece Group.

Reece, which increased its number of retail outlets in Australia and New Zealand by five to 639 and reported a 15 per cent jump in operating income to \$410.6 million in the year to June, has taken out a 10-year lease on a new warehouse it will move into in July next year.



Artist's impression of the 11,670sq m facility that bathroom products supplier Reece will move into at Melbourne Airport Business Park.

Reece will consolidate a number of different brands at the site, and service suppliers and customers from the purpose-built 11,670 square metre facility from August next year.

The new tenancy, on a 46,566 square metre site, means 129 hectares of the 410-hectare business park is now leased or developed, and follows the commitment of Amazon in May [to take space for its gig-economy Amazon Flex drivers](#) to service the city's northern and western suburbs.

"Although this comes at a time where the aviation industry is struggling with the impacts of COVID-19, we are optimistic about developing further opportunities in our business park," said Melbourne Airport chief of commercial property Andrew Gardiner.

Airport owner Australian Pacific Airports Melbourne is funding the development. The builder is CMW Design & Construct. CBRE associate director Daniel Eramo negotiated the lease with Reece Australia.

Reece, which strengthened its balance sheet with [a \\$647 million capital raising](#) in April, has been trading well during the pandemic, with its predominantly trade customers deemed essential workers.

Sales rose 10 per cent to \$6 billion in the year to June, boosted by a 20 per cent gain in US revenue and 1 per cent in the ANZ region.

"Our customers, the tradespeople of Australia, New Zealand and the United States, play an essential role in society to help prevent disease – providing clean water, sanitation, and comfortable homes," chief executive Peter Wilson said, announcing results last month.

"We have continued to support them during this year of crises, keeping our stores open, and providing the expertise, quality products and digital support they expect."

Melbourne Airport's Mr Gardiner said the commercial landlord intended to expand the business park.

"We are able to provide tenants with the benefits of operating within a specialised activity centre zone – providing fast-tracked planning approvals for eligible projects," he said.