



Weekend Herald

Saturday 29/06/2019

Page: 6
Section: Business News
Region: Auckland, NZ
Circulation: 205549
Type: Metro
Size: 1,600.00 sq.cms.



slice
CUT STRAIGHT TO YOUR NEWS

press clip

From sacrificing family home to \$60m project

Developer once told to start small is now taking on largest retail project in NZ history, writes
Anne Gibson

Banks told Vinod Kumar “why don’t you start out small”, recalls the Fijian Indian migrant, standing on the site of his \$60 million West Auckland venture.

But the man behind one of Australasia’s largest planned new furniture and homeware stores set to rival Ikea found out the traps of limited thinking three decades ago and, when it comes to property development, he says he’s not repeating that mistake.

“I told them ‘I did that before’,” said Kumar, 61, from the construction gravel at his partly-built Henderson project, Nido Living, where steel support beams are rising for an eight-level robotic-controlled warehouse but where all other work is at floor slab stage.

Kumar, a civil engineer, made millions developing, owning and running three successful Mitre 10 stores but he recalls how, in hindsight, he started out too small, building one of just 500sq m which was quickly outdated, resulting in far bigger plans.

To meet demand, that store was

bowled for a 2500sq m store, then eventually replaced with a half-hectare shop: “I’m running out of time, I’m 61,” said the quietly-spoken engineer building the largest furniture and homeware store in New Zealand’s history.

Now, he says his entire fortune has been put into the new Nido concept: “I’ve sold everything. I’ve put everything into this.”

When a 14,000sq m Costco was announced for Westgate this month, retail experts cited Kumar as having had the foresight to invest in West Auckland well before the American giant. He also had the courage to build far bigger, they said.

Kumar said around half the furniture and homeware to be sold in his store would come from Europe, much from North America and some from Asia. Julian Bottaro, Nido’s general manager, said the store would be about scale, necessary to have a big effect on the market.

But multi-millionaire Kumar arrived here with very little.

He was born in Fiji and came to New Zealand in 1975 to study to be a civil engineer. He worked at Fletcher Construction.

When construction work dried up in the 1989 recession, he sold the family home he had built to buy his first retail outlet, a Mitre 10 in Henderson. He then went on to own three Mitre 10s, including the country’s first Mitre 10 Mega, as well as house framing and kitchen manufacturing businesses.

“After his first business rapidly expanded, he continued to invest by re-building the Henderson business three times to cater for the rapid expansion of the business,” a spokesman said.

Kumar, in retail for more than 30 years, has now sold out of Mitre 10 to buy the Henderson vineyard site for Nido, Italian for “nest”, a name the family came up with as the best for the new venture.

Kumar said he paid \$25m for the 31,700sq m site, purchasing from a Mitre 10 entity which had bought from the pioneering winemaking Collard family.

“I bought it in 2012 when it was planted in grapes,” Kumar recalled.

The 650-space car parking building will have 180 piles driven down 13m into the ground. The warehouse floor slab is down and already has 1250 timber piles driven 11m into the ground.

Construction at 158 Central Park Dr, Henderson began last October yet is still mainly at groundworks phase and Kumar admits it is behind the original schedule, but he is hopeful of an opening later this year.

The project is large scale: “To ensure there is no disruption to local traffic in transporting the 9000 cubic metres of concrete being poured, 1800 truckloads will be delivered to the site in the middle of the night,” a Nido spokesman said.

“In addition, 1800 tonnes of structural and reinforcing steel has been ordered. While an order of this size has been a significant boost to our

suppliers, they are running in 24-hour shifts to get it manufactured in time,” the spokesman said.

Kumar says the New Zealand owned company was proud to employ more than 450 locals on the construction phase and a further 200-plus people when the store opens. And instead of having to wait weeks for furniture to arrive, customers will be able to pay and get delivery at the same time, due to robotic-equipped eight-level warehouses, he said. All goods would be stored on the site.

The project will also see the installation of more than 15,000sq m of roofing, 1600 piles and 12,600 linear metres of purlins and girts.

Nido Living’s marketing manager is Kumar’s daughter, Akshita Nana, and customer experience manager is



Weekend Herald Saturday 29/06/2019

Page: 6
Section: Business News
Region: Auckland, NZ
Circulation: 205549
Type: Metro
Size: 1,600.00 sq.cms.



slice

CUT STRAIGHT TO YOUR NEWS

press clip

her husband, Paresh Nana.

Kumar said many West Auckland businesses were involved in the project: Lendich Construction on earthmoving, Babich on steel

engineering, BM Electrical and Heron Plumbing. Speed wall techniques were being used, he said.

When finished, Nido will have around 100 display rooms, fitted out like in a real house, he said.

Within the 2.7ha store will be an entire 170sq m house to show off Nido's range of goods, Kumar said: "It will be a house within the store."

"I've travelled the world and seen the furniture business and for us to be up there, it's a matter of being that size," Kumar said.

The store's foyer will be 6000sq m to 7000sq m. An upstairs cafe will seat 340 people and the store will trade 10am-10pm daily, with staff working in three shifts, Kumar said.

"Stock will arrive at 5am off the truck, be packed out of containers and Dexion robots will put it in the warehouse. There will be 250 pallets of stock a day," he said.

And although walls are not yet up, already Kumar says he has "sold" the project to Matt Group syndicators,

formed in 2009 and headquartered on Corinthian Dr, Albany. That property sale will help fund the new furniture and homeware business, he said.

Maat is advertising the Central Park Property Investment scheme with a projected pre-tax cash return of 8.5 per cent per annum, advertising for applications for investors. It is seeking \$30m and emphasising that Kumar is in a joint venture on the scheme.

"This opportunity is a little different from previous Maat offers. It involves the development of a property through a joint venture with the developer," Maat says. Distributions of 8.5 per cent annually will be paid on a monthly basis from March this year, Maat says.

Equity funding to enable the joint venture to do the development will be provided by the current landowner with 20 per cent and Maat investors with 80 per cent, the offer document says.

Neil Tuffin, Maat's managing director, said the entire \$30m was raised by the end of March.

"The offer was well-received. We ended up with 196 investors. They are all New Zealanders, mum and dads, no institutional money", Tuffin said.

"The risks are that there might be too long a delay and rising construction costs, but we've built all that into it. It's about a month behind, but they may well catch that up," Tuffin said.

Kumar acknowledges his project is "a bit behind" but he's holding fast to his vision of big, bold retail.

Nido Living

158 Central Park Dr, Henderson

- 2.7ha: four-and-a-half rugby fields
- Construction phase: around half-completed
- Furniture/homeware store opens September–November
- Retailer on a mass scale, said set to rival Ikea



Source: Nido Living / Herald graphic



Weekend Herald
Saturday 29/06/2019

Page: 6
Section: Business News
Region: Auckland, NZ
Circulation: 205549
Type: Metro
Size: 1,600.00 sq.cms.



slice
CUT STRAIGHT TO YOUR NEWS

press clip



Vinod Kumar says he has put his entire fortune into the Nido concept in Henderson: "I've sold everything". Photo / Anne Gibson