

Newcastle offices go for \$29.6m

Su-Lin Tan

Perth fund manager Primewest has sold the six-storey office building with a four-level car park at 11 Argyle Street in Newcastle to Brisbane-based Sentinel Property Group for \$29.6 million.

Primewest closed the deal at a net yield of close to 8.4 per cent, after a four-month campaign, testament to the property's appeal.

The property, Harbour Park, has benefited from the urban renewal of the 50-hectare former industrial Hon-eyesuckle area and proximity to beaches nearby.

The 5002-square-metre property is leased to Suncorp, Government Property NSW and Secure Parking with a weighted average lease expiry of 5.7 years and has the largest floor plates in Newcastle.

Primewest director John Bond said the sale of Harbour Park followed the

sale of another office tower Space 207 in Sydney's St Leonards – both acquired at the same time by the same trust – after three years of solid return.

Knight Frank's Ross Cooper, Angus Klem and Tyler Talbot, with CBRE's Simon Kasprovicz sold the refurbished property.

"The Newcastle market is extremely strong. Look at the NIB office sold for a net yield of sub 7 per cent," Mr Cooper said. A Sydney investment group bought it for for \$46.6 million in March.

The number of bids received during the campaign of Harbour Park confirmed there was continued demand for assets outside metropolitan Sydney, Mr Klem said. Supporting that on the other side of Sydney, Melbourne-based Castlerock Property Group snapped up office building 90 Crown Street in Wollongong on the NSW South Coast for a record \$43.9 million last month.