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SALES & LEASING

Sentinel hones in on Newcastle office

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by Liz Jordan



SENTINEL Property Group has acquired a commercial office building and car park facility on the fringe of Newcastle's CBD from Primewest for \$29.6 million.

It will be the seed asset for the Brisbane-based syndicator's new pooled Sentinel Regional Office Trust, which has a forecast distribution of 9.5% per annum in its first year.

The fully-leased, 5,002sqm six-level building at 11 Argyle Street is on a 2,942sqm site and comprises four levels of parking operated by Secure Parking, and two upper office levels occupied by Suncorp and the NSW state government.

The building has a 5 Star NABERS rating and has 342 car parks, and is located in the harbour's Honeysuckle urban renewal precinct, home to a new wave of prime commercial and retail occupants.

Primewest undertook a \$400,000 external façade upgrade in 2015 and a \$2.3 million fit-out refurbishment was undertaken in 2015 by the NSW State Government. Suncorp committed to a new five-year lease from October 2016.

Primewest director John Bond said the sale of Harbour Park followed the sale of Space 207 in late 2015 and both had provided solid returns during the three-year investment timeframe.

CBRE and Knight Frank negotiated the deal.

Sentinel Managing director Warren Ebert said the company is pleased to be growing its property holdings in Newcastle as the city enters an exciting new growth stage.

“Newcastle is Australia’s seventh largest city and the hub for the Hunter region, the largest regional economy in the country,” Ebert said.

“This is highlighted by the ongoing \$500 million urban renewal program and the recent announcement that a new \$12.7 million cruise ship terminal will be built at the Port of Newcastle, which is a huge boost for the local tourism industry on the back of the \$14.5 million Newcastle Airport redevelopment.

“It is a market that we know well and one where we have been actively seeking new opportunities,” he added. Ebert said the company was currently investigating a number of new office acquisition opportunities for this new trust.

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