

Sentinel sells Sydney's Menai Central for \$43m



Sentinel Property Group has finalised the sale of its Menai Central retail complex

Brisbane-based property investor Sentinel Property Group has sold its Menai Central retail complex in Sydney's southern suburbs for \$43.3 million, reaping a 50 per cent return.

The active group acquired the property at the corner of Old Illawarra and Menai Roads 30 kilometres south-west of the Sydney CBD, for \$31.5 million in September 2013.

Combined with Sentinel's subdivision of the property and a sale of a stand-alone KFC property on the site for \$3.05 million in October 2015, the sale of Menai Central has secured a total capital growth return in excess of 50 per cent.

Sentinel sold the centre to a private investor.

"We acquired Menai Central three years ago at a time when this style of retail asset was out of favour with others, but is now the focus of increasing buyer demand," Sentinel Managing Director Warren Evert said.

"There is growing weight of money chasing assets in the retail sector and we are in the strong position of having plenty of stock as we were buying when others were not."

"We are receiving many approaches to sell our retail assets and we will continue to take money off the table as opportunities present to deliver strong capital growth to our investors."

The 10,796-square-metre property consists of 6 buildings on a 2.2-hectare site. It is leased to IGA, Dan Murphy's, Supercheap Auto, Goodlife Health Club and Pet Barn and includes 275 car spaces.

Good performer

Sentinel has also increased the number of tenants during its ownership of the property.

Sentinel Menai Retail Trust, which held the Menai property, was one of Sentinel's best performing unlisted commercial property trusts, the company said.

Investors in the Sentinel Menai Retail Trust enjoyed an annual 11.5 per cent return on equity generated by the property's rental income and last year, that return rose to 12.5 per cent following the sale of the stand-alone KFC.

This is the eleventh property sold from the Sentinel portfolio.

But the group is also buying property, last week, acquiring a six-storey office building at 11 Argyle Street in Newcastle, NSW from Perth-based fund manager Primewest for \$29.6 million.

As well as property divestments and acquisitions, Sentinel is also expanding through business acquisitions. The group is now moving to compulsory acquisition of the ASX-listed Brisbane property funds group Unity Pacific Group.

Unity shareholders have until October 24 to accept the offer.