

Port Macquarie office bolsters Sentinel portfolio

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Acquisitive property syndicator Sentinel Property Group has snapped up a NSW government-leased office complex in Port Macquarie for \$20.6 million on a net yield of 8.6 per cent.

The deal marks its first acquisition on the NSW mid-north coast, but builds on a string of recent regional property acquisitions by the Brisbane-based company.

The 8 Buller Street property will sit in Sentinel's open-ended pooled Regional Office Trust, which now has four commercial properties worth more than

\$120 million. Earlier this week, Sentinel acquired an office tower in Brisbane's Spring Hill for \$38.7 million from fund manager Centuria. The other properties in the fund are an office building in Newcastle and a Darwin business park.

Most investors in Sentinel funds and syndicates are self-managed super funds. The Regional Office Trust has a current net distribution of 9.50 a year.

Sentinel managing director Warren Ebert called Port Macquarie a "thriving commercial hub for the NSW mid-north coast".

"We believe it is the ideal time to be investing in the region given its grow-

ing popularity, surging tourism sector, strong housing and construction activity and infrastructure investment," Mr Ebert said.

The new fund was actively targeting further regional office investment opportunities in key locations and was on track to have more than \$200 million in assets by mid-March.

The 6214 square metre Port Macquarie office complex was acquired from property fund manager Peter Fahey's Clarence Property Group following an on-market campaign steered by Tim Grosmann and Xavier Rahme of CBRE.

The complex, which consists of two properties joined by a service corridor, is leased to NSW government utility Essential Energy on a new five-year lease.

Clarence Property Group paid \$15 million for the Port Macquarie office complex in 2000. Mr Fahey said the sale of the building would allow Clarence to pursue other strategic opportunities.

"Our existing partnership with Sentinel paved the way for this transaction, which is beneficial for both parties," Mr Fahey said. Sentinel and Clarence share ownership of The Rocket tower, an

A-grade office building in Robina on the Gold Coast.

The latest acquisition in Port Macquarie grows Sentinel's national portfolio to 46 properties spanning retail, industrial, office, land, tourism infrastructure and agribusiness assets with a total value in excess of \$1.07 billion.

Sentinel has not just been buying property, but also divesting some of its assets. In October the syndicator sold the Menai Central retail complex in Sydney's south for \$43.3 million. It was the 11th property sold by Sentinel since it was established in 2010.