

Sentinel selling \$50m NSW malls

Matthew Cranston

The \$1 billion Sentinel Property Group is looking to sell off about \$50 million in neighbourhood shopping centres in NSW as it takes advantage of a hot market for retail properties.

Sentinel, founded by Warren Ebert, has appointed directors of retail investments Sam Hatcher and Jacob Swan to sell the Coles-anchored Rutherford Shopping Centre, the Gunnedah Shopping Centre and the Tanilba Bay Shopping Centre.

Neighbourhood centres have seen a steady stream of transactions and the competition for assets has driven further compression of yields.

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Jacob Swan, JLL

Total transactions of neighbourhood shopping centres hit \$1.6 billion in 2016.

The large majority of transactions occurred in Queensland, with 28 transactions totalling \$561 million, while neighbourhood centres remain tightly held in NSW and Victoria, with only 10 for \$525 million and 12 for \$248 million respectively.

JLL's Mr Hatcher said that with limited opportunities in NSW, it is anticipated that the Sentinel portfolio will generate a strong market response.

"These assets offer outstanding investment fundamentals – modern construction, well maintained, with long leases to major national tenants," Mr Hatcher said.

The Rutherford shopping centre covers 4063 sq m and is anchored by Wesfarmers' Coles with 95 per cent of income secured by national retailers. The Gunnedah Shopping Centre covers 5360 sq m and is anchored by Coles and Target Country, while the Tanilba Bay Shopping Centre covers 3841 sq m also anchored by Coles.

JLL's Jacob Swan said Sentinel's had invested a significant capital expenditure program across the portfolio, along with a professional management and a well-executed leasing strategy.

"We are anticipating interest for the centres on both an individual and portfolio basis to come from across the private investor, syndicator and institutional markets, as investors look to diversify their holdings in three of the strongest regional locations in NSW.

"Neighbourhood centres are the primary focus due to the accessibility of the price point – that is from \$5 million to \$30 million – as well as the appeal of the non-discretionary nature of tenants and long-term leases," Mr Swan said.

The expressions of interest campaign closes March 16.



Sentinel's Gunnedah Shopping Centre in north-west NSW.