

Sentinel in \$50m play for Cairns DFO centre

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RETAIL

Sentinel Property Group is poised to become the latest group to buy into Queensland's busy shopping centre market with the property funds manager circling the DFO Cairns outlet in a \$50 million play.

The purchase would be the latest in around \$200m worth of Queensland centres to transact as investors pursue well-positioned retail properties.

The Warren Ebert-led Sentinel, that has also made a bid to list via the Unity Pacific Group, is launching a new unlisted trust to own the centre that will return of 10.5 per cent a year.

Sentinel has snapped up properties around North Queensland as part of an expansion that has seen it grow its funds to about \$1 billion in recent years.

The firm, which declined to comment, sees its purchase as counter-cyclical move and it is being struck below half of its replacement value. The property was valued at more than \$100m after an extensive redevelopment ahead of the global financial crisis but lost value as the DFO empire crumbled nationally.

DFO Cairns has a gross lettable area of about 24,992sq m, in-



TIM MARSDEN

Sentinel, led by managing director Warren Ebert, is eyeing Queensland assets

cluding a Coles supermarket, World Gym, Trade Secret, Cotton On and nine mini-majors.

The asset is being sold through JLL's head of retail investments

Australasia, Simon Rooney, and the director of retail investments Queensland, Sam Hatcher but they declined to comment.

The firm's analysis has shown

that the market for large format retail assets remained strong. Jen Retail last year snapped up Melbourne's Spencer Outlet Centre for \$125m, topping a brisk period

of sales in the outlet centre sector that resulted in \$878m worth of deals being struck over the past two years.

Earlier this week the listed SCA Property Group paid \$23m for the Woolworths-anchored Greenbank Shopping Centre and \$10m for an adjoining development site in Brisbane's south.

That deal was struck by JLL's Sam Hatcher and Mr Swan on a passing yield of 6.61 per cent.

The firm also handed the \$75m sale of the Morayfield Super Centre to LaSalle Investment Management on behalf of a separate mandate. That centre, sold by the private KB Property Holdings No 1, is a Woolworths and Aldi supermarket anchored home-maker complex spanning about 27,884sq m of gross lettable area.

JLL noted that the off-market transaction highlighted continued attraction for major south east Queensland retail assets from offshore and domestic investors.

On the Gold Coast, a Chinese investor snapped up a Coles-anchored shopping centre at Upper Coomera from an Adelaide-based private consortium for \$12.5m. The off-market transaction, handled by Peter and Jon Tyson of Savills, showed a yield of 6.7 per cent.