

THE LAND

Agribusiness attracts Qld property group

By ANDREW MARSHALL March 22, 2016



Brisbane-based Sentinel Property Group is actively seeking more investment opportunities to further spread its wings in the agribusiness sector

RETAIL, industrial and tourism property owner Sentinel has moved into the agribusiness sector with a \$22.8 million purchase of a major chicken farm near Ipswich in southern Queensland.

Brisbane-based Sentinel Property Group says it is actively seeking more investment opportunities to further spread its wings in the agribusiness sector.

Sentinel, which has a portfolio of about \$1 billion in commercial office, retail, industrial, tourism and land assets under management, has bought the Purga Breeder Farms property with broiler chicken infrastructure purpose-built for Steggles.

Steggles, part of Australia's largest poultry production company, Baiada, occupies the property on a 20-year lease which began in 2007.

The farm is the first asset for the new open-ended Sentinel Income Trust, which has a forecast year one distribution of 12 per cent.

Sentinel managing director, Warren Ebert, said the company's entry into the agribusiness sector continued its "first mover" strategy of identifying and capitalising on new emerging asset classes.

Poultry was the strongest performing component of Australia's agribusiness sector with domestic production increasing by more than 75 per cent in the past 10 years.

"Sentinel has built its success on being out ahead of the market to consistently deliver industry-leading returns to investors," he said.

"We are not one to have all our eggs in one basket and our strategic acquisition of a major poultry business, and entry into the wider agribusiness sector follows on from our recent focus on securing prominent assets on the Gold Coast and in North Queensland which are well positioned to benefit from the rebounding tourism sector.

"Similar to our expansion into tourism markets, we see a lot of upside in exposure to Australia's agribusiness sector.

"We are actively looking at further opportunities to grow our presence in this sector."

The Purga Breeder Farms just south of Ipswich covers 64 hectares, including three poultry breeder shed sites and a licenced capacity for 187,000 birds, four staff residences and associated infrastructure.

Mr Ebert said although only two per cent of the world's chicken meat was currently produced in Australia the poultry industry was strategically positioned for continued growth on the back of strong domestic and international demand and a strong reputation for successfully managing the sector to avoid diseases such as bird flu.

"The capital raising for the Purga acquisition was immediately oversubscribed by investors, continuing the ongoing strong demand for new Sentinel investment opportunities across all asset classes."

Sentinel, an unlisted commercial property fund manager, was established in 2010 and has funding from more than 500 investors.