



Sentinel tucks into Steggles chicken farm

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Sentinel Property Group has begun scratching around the agribusiness sector, buying its first agricultural property for \$22.8 million just outside Ipswich, in South East Queensland.

The acquisition of Purga Breeder Farms, one of the largest poultry breeding facilities in Australia, comes as Brisbane-based Sentinel spreads its wings beyond office buildings and shopping centres.

Sentinel, established by real estate investor Warren Ebert, is forecasting a 12% return per year on Purga Breeder Farms.

Ebert says the company's entry into the agribusiness sector continued its 'first mover' strategy of identifying and capitalising on new emerging asset classes.

"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 in locations such as the Gold Coast and North Queensland that are well positioned to benefit from the rebounding tourism sector," Ebert says.

"Similar to our expansion into tourism markets, we see a lot of positive upside in exposure to Australia's agribusiness sector and we are actively looking at further opportunities to grow our presence in this sector.



The chicken farm purchased by Sentinel has capacity for 187,000 birds

Purga Breeder Farms consists of 17 poultry breeding facilities across three properties covering 63 hectares and includes 35,252sqm under roof and a licenced capacity of 187,000 birds. The modern facility, 9km south of Ipswich, was purpose built for Steggles, which occupies the property on a 20-year lease that commenced on January 1, 2007.

Ebert says poultry is the strongest performing segment of Australia's agribusiness sector with a reported increase in domestic production of more than 75% in the past 10 years.

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"Only 2% of the world's chicken meat is currently produced in Australia and we are the only continent that has not had bird flu, so there is enormous future international growth potential for this industry.

"Purga Breeders Farms is a major facility operated by the largest poultry producing company in the country and is an ideal first asset for Sentinel's entry into the agribusiness sector."



An aerial view of the 63ha farm near Ipswich.

"The property provides a secure income stream from a well-regarded national tenant on a long-term lease and is a land-rich holding with easy access to the major transport routes of the Cunningham Hwy, Warrego Highway and the Ipswich Motorway."

"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 has previously focused largely on acquiring major retailer-anchored shopping centres, including its purchase of a freestanding Big W in Atherton for \$10.35 million late last year. It also acquired a fully-leased industrial facility at Oxley, south-west of Brisbane, for \$10.4 million at the start of the year.