

QLD Business

Sentinel Property Group has settled on the purchase of DFO Cairns after it was oversubscribed by investors in just 24 hours

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Chris Herde The Courier-Mail



LARGEST EVER: Sentinel Property Group has bought the DFO Cairns shopping centre at Westcourt for almost \$40 million.

SENTINEL Property Group has settled its largest ever retail acquisition with the purchase of the DFO Cairns retail centre in Far North Queensland.

The \$39.7 million acquisition represents a major boost to Sentinel's national retail portfolio and its growing presence in the North Queensland property market.

The DFO Cairns retail centre is set on a large 8.15ha site at Westcourt outside the Cairns CBD.

It has a total floor area of approximately 25,000sq m and parking for more than 1500 cars and is the only direct factory outlet north of Brisbane and is home to an array of national and international tenants, including Coles, Hungry Jacks, Trade Secret, Bonds, EB Games, Ralph Lauren and Royal Doulton.

The syndicator's capital raising to fund the purchase of the centre closed oversubscribed from investors in just 24 hours.

The property will be held as the sole asset of the Sentinel DFO Cairns Trust, which has forecast three-year average distributions of 10.5 per cent per annum.

Warren Ebert, Sentinel managing director, said DFO Cairns is a landmark acquisition for the company.

“This is our largest ever retail purchase in both value and size and also provides us with a high profile entry into the Cairns market,” he said.

“We have been actively growing our property presence in North Queensland in recent years and have been searching for a prominent Cairns property to which we can add significant value.

“We are delighted to have secured the DFO Cairns retail centre and we now look forward to working closely with its retailers to maximise the property’s solid underlying fundamentals and future growth potential.”

Mr Ebert said a recent focus of Sentinel’s expansion strategy has been on acquiring property in key locations in North Queensland, as well as the Gold Coast, that are well positioned to benefit from the rebounding tourism sector.

He said this started with the purchase last year of the Port of Airlie Maritime Terminal at Airlie Beach, followed by ‘The Rocket’ A-Grade commercial office tower on the Gold Coast, and is now further strengthened with the acquisition of the DFO retail centre in Cairns.

“We believe the property is very well positioned to enjoy the positive flow-on benefits from the rebounding tourism sector in Cairns, already evident in the strong growth in visitor numbers, increased direct flights from China and the major redevelopment of the Cairns airport.”

Brisbane-based Sentinel Property Group, an unlisted commercial property fund manager, was established in 2010.

It has been one of the most active and successful opportunistic buyers of commercial property in Australia and now owns and manages a national portfolio of 42 retail, industrial, office, land and tourism infrastructure assets throughout Australia.

It has total assets under management approaching \$1 billion.

The acquisition of the DFO Cairns retail centre is a major addition to Sentinel’s strategic holdings in key locations in Central and North Queensland, which includes the Port of Airlie Maritime Terminal at Airlie Beach; a Big W retail centre in Atherton; a shopping centre and industrial property in Townsville; two Emerald shopping centres; and six retail, industrial, office and land assets in the Mackay region.