

GPT sells Casuarina Square for \$397m to Sentinel Property as retail market resets



Sentinel Property Group, led by Warren Ebert, has bought Darwin's Casuarina Square shopping centre for nearly \$400m as the retail property market resets. Picture: Richard Waugh/AAP Image

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Warren Ebert's Sentinel Property Group has swooped on Darwin's Casuarina Square shopping centre, snapping it up from GPT Group for close to \$400m, as the retail property market is reset.

The sale of the Northern Territory's largest shopping centre for a net sale price of \$397m was struck as joint vendors GPT and the GPT Wholesale Shopping Centre Fund sell off non-core assets.

The book value of Casuarina Square at the end of June was \$421m, reflecting the discount on large retail centres, but the deal shows the market remains liquid even during the pandemic.

Last October, GPT's shopping centre fund also sold Wollongong Central to Sydney-based property funds manager Haben for \$402m. The fund suffered heavy writedowns on the asset after it was redeveloped.

The mall market was further crunched by the coronavirus crisis but prices have been reset and big centres are picking up as the economy reopens.

The deal was brokered by JLL's Sam Hatcher, Nick Willis and Jacob Swan. They said Casuarina Square was the largest sale of a shopping centre since 2003 when Chatswood Chase sold to CFS Gandel for \$475m in 2003.

"Retail investment market conditions reached a key turning point in the second half of 2021 as liquidity returned for major assets. Since then, we've recorded eleven transactions worth more than \$200m," Mr Hatcher said.

The Sentinel buy shows the biggest equity raise for an unlisted retail asset, with investors still keen on big centres that have been bought at a discount where there is fresh avenues of growth.

Sentinel chief executive Mr Ebert said securing the asset was a landmark deal as "no other retail centre dominates its market like Casuarina Square".

"This is a trophy asset and the standout retail property in Australia without a doubt," Mr Ebert said.

"The centre receives more than eight million visitors a year and there is a tremendous opportunity to add value to the complex as there is about 54,000sq m of development potential on the site, he said.

Mr Ebert is bullish about the centre's potential.

"For Darwin to grow, Casuarina Square must also grow as both a retail centre and an employment node. I am confident this will be a billion dollar asset within seven to ten years. Casuarina Square is a magnet for the population in Darwin because they can shop in 5.5ha of airconditioned comfort. It's a fantastic asset which will deliver substantial returns to our investors," he said.

With more than 190 stores and retailers, including Kmart, Big W, Woolworths and Coles as well as a seven-screen Birch Carroll and Coyle Cinema, Casuarina Square was built to provide the most comfortable shopping experience in the Northern Territory.

Sentinel has been highly active in Darwin over the past five years and was continually on the lookout for more acquisitions.

"We are very long in Northern Australia, particularly in Darwin and North Queensland, with a portfolio approaching \$750m," he said.

"The Northern Territory has an enormous couple of decades ahead of it with planned investments in the region of approximately \$43bn, including the \$22bn Australian-ASEAN Power Link Project, the \$4.7bn Santos Barossa Gas Field project and \$8bn in government defence infrastructure.

"By 2030, the NT government is aiming to achieve 30 per cent population growth and to boost its gross state product from \$26bn to \$40bn. The money that is going into Darwin and throughout the NT is absolutely enormous and long term," Mr Ebert said.