

Sentinel's \$400m Darwin mall buy sets new heights

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Busy Brisbane fund manager Sentinel has completed its biggest acquisition since it was established more than a decade ago, taking over Darwin's Casuarina Square shopping centre from GPT Group for close to \$400 million.

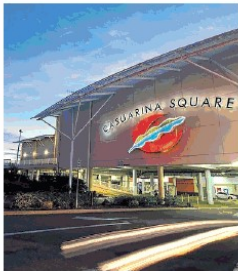
The Casuarina transaction, first flagged last October, is one of the biggest retail property deals yet in the northern capital and the largest sale of a 100 per cent interest in a shopping centre in almost two decades.

The shopping mall, jointly held by GPT and its unlisted shopping centre fund, had been held on a \$421 million book value, after taking the biggest hit among write-downs in GPT's retail portfolio in response to the pandemic.

On Sentinel's side, the purchase has been backed by what it believes is the biggest equity raise yet for an unlisted retail asset in Australia.

"No other retail centre dominates its market like Casuarina Square," chief executive Warren Ebert said.

"The centre receives more than 8 million visitors a year and there is a tremendous opportunity to add value to the complex as there is approximately 54,000 square metres of develop-



Casuarina Square shopping centre has more than 8 million visitors a year.

ment potential on the site. 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 10 years. Casuarina Square is a magnet for the population in Darwin because they can shop in 5.5 hectares of airconditioned comfort. It's a fantastic asset which will deliver substantial returns to our investors."

Mr Ebert said Sentinel had been very

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

GPT said Casuarina Square was a non-core asset, with proceeds from the sale to be redeployed into new opportunities. Led by chief executive Bob Johnston, GPT has been steadily reweighting its portfolio towards an increased allocation in logistics assets.

The Casuarina deal follows a broader rebasing of retail real estate values following the pandemic. That subsequently spawned a wave of transactions with unlisted fund managers such as Sentinel, Fawkner Property, Haben Property Fund, IP Generation and YFG Shopping Centres pouncing on opportunities around the country.

"Retail investment market conditions reached a key turning point in the second half of 2021 as liquidity returned for major assets," said JLL's Sam Hatcher, who brokered the Casuarina deal with colleagues Nick Willis and Jacob Swan. "Since then, we've recorded 11 transactions worth more than \$200 million. The surge in activity is a direct result of greater optimism among consumers and investors, in addition to owners of existing retail portfolios wanting to progress their strategic reallocation priorities."