

Sentinel joins Adelaide crowd with \$25m deal

Commercial property

Nick Lenaghan

Brisbane fund manager Sentinel Property Group has scooped up its first acquisition in Adelaide, an office tower fully leased to government tenants in the heart of the city, in a \$25 million deal.

The busy fund manager led by Warren Ebert has bought The Conservatory at 131-139 Grenfell Street from a private investor. The deal was struck on a generous initial yield of 8.02 per cent.

Occupied by both state and federal government tenants, the property will become the fifth asset within the Sentinel Northern Australia Investment Fund, which includes two properties in Darwin and two in Mackay.

"South Australia and Adelaide are in a period of significant development led by several major private and public capital projects, infrastructure upgrades, and public transport improvements," Mr Ebert said in a statement.

Mr Ebert noted the billions of dollars earmarked for state spending on CBD infrastructure projects such as Adelaide BioMed City, Riverbank Arena, Entrepreneur and Innovation Centre.

"Sentinel sees a strong decade ahead for the festival state and we are actively seeking other acquisitions," Mr Ebert said. Standing on a corner, The Conservatory on Hindmarsh Square is a mixed-use project comprising 4020 square metres of open-plan office accommodation.

The building's entry lobby was refurbished and end of trip bike storage facilities were installed as part of a recent upgrade.

Adelaide's commercial property market is experiencing an upswing as major investors and fund managers chase better yields outside the east coast capitals. Last month, another Brisbane fund manager, ASX-listed Cromwell Property Group, acquired Chesser House, further along on Grenfell Street, for its direct property fund in an \$81.35 million deal. The city's office market is receiving plenty of investment through development as well, including Charter Hall's \$450 million project at 60 King William Street and Cbus Property's \$300 million development at 83 Pirie Street.

Meanwhile, Adelaide's retail real estate is also winning interest, including from Rich Lister Nick Andrianakos who this month invested for the first time in a major shopping centre, acquiring a \$135 million-plus half stake in Colonnades mall. Sentinel's Adelaide office deal comes as the fund manager gets under way with due diligence on the largest shopping centre in Queensland's Mackay region, Caneland Central.



The Conservatory office tower on Grenfell Street.