

Sentinel Property Group's office trust has settled on Centuria's office building at 200 Creek St in Brisbane for \$38 million

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200 Creek St, Spring Hill

SENTINEL Property Group has continued its expansion in the office sector buying a prominent 10-level office property in Brisbane.

Sentinel has secured the 200 Creek St property in Spring Hill, on the edge of the northern precinct of the Brisbane CBD, for \$38 million from Sydney-based fund manager Centuria Property Funds.

The A-grade building is the latest asset of the new opened-ended pooled Sentinel Regional Office Trust, which has a current net distribution of 9.50 per cent.

Sentinel managing director Warren Ebert said the new fund's strong buying activity in the office sector makes it among the most active of all national property funds in recent months.

He said while Sentinel is both a seller and a buyer in the current market, the company will continue to aggressively pursue new acquisition opportunities that have not yet been identified by others.

"Sentinel has built its success on being a first mover that is ahead of the game. This means we are always looking to buy in sectors that are out of favour with the majority, including other REITS, properties that others are selling and that don't suit other investors," Mr Ebert said.

The property joins Sentinel's other key Brisbane office asset, is the Citilink Business Centre opposite the Royal Brisbane & Women's Hospital at Bowen Hills.

Centuria bought 200 Creek St in 2011 from Valad Core Plus. It is on a site area of 6211sq m neighbouring the Novotel Hotel and is just a 150m walk to Central Train Station.

It has a net lettable area of 7603sq m and 88 car bays and is 92 per cent leased to a range of blue-chip tenants, including the Queensland State Government, Ramsay Health Care and BMT WBM.

The property has a Weighted Average Lease Expiry by income of 3.7 years with a staggered lease expiry profile.

The deal was struck by Peter Court and Mike Walsh of CBRE and JLL's Seb Turnbull and Luke Billiau.

Centuria chief executive Jason Huljich said after the fund purchased the property it carried out a series of upgrades.

Mr Huljich said he could see good opportunities for commercial property investors in 2017.

“Looking forward into 2017, we are confident there will be some good opportunities in the major metropolitan markets — in particular Sydney and Melbourne, although we are also looking carefully at our options in Brisbane and Canberra,” he said.

“Our investment strategy has always been primarily asset-driven, which means we are open to all markets and properties where we see the potential to buy well, add value and achieve strong long term returns for our investors.”