

Leaseback attraction

CHRIS HERDE



Carl Charalambous at 187 Wellington Street, East Brisbane, which Sentinel Property Group bought on a leaseback deal.

A LEADING syndicator has bought an office/warehouse in inner Brisbane that serves as a commercial kitchen for Mantle Group Hospitality.

Sentinel Group Australia paid \$4.05m for the two-level property over three lots facing 187 Wellington Road and 50-52 Manilla Street, East Brisbane, in a sale and leaseback deal struck by C Property QLD's Carl Charalambous.

Sentinel executive chairman Warren Ebert said the property will be added to the Sentinel Industrial Trust.

"We believe this was an excellent investment opportunity to secure a tenanted property with development upside only 1.5km from the Brisbane CBD and close to the multi-billion dollar Cross City Rail Project," he said.

"Mantle Group is leasing back the whole of the property in this highly desirable innercity precinct for a six-year triple net lease.

"It's tremendous to have secured a well-established hospitality tenant such as Mantle Group which has 15 venues nationwide."

The sale realised a yield of 6.5 per cent. According to CoreLogic Saint Hotels & Resorts bought the 1503sq m property in 2007 for \$2.1m. Saint Hotels is controlled by Godfrey Mantle. The building features

1046sq m of office and warehouse space which includes a large purpose-built commercial kitchen servicing all of the Mantle Group's hospitality operations.

Last year the Mantle Group kicked off a strategy to sell smaller non-core assets and reposition the company to towards larger format venues.

Mr Charalambous said the expressions of interest campaign for the property closed late last year.

"We had a group which had the property under contract but that fell over in early January and we went out to a few groups and Sentinel was pretty much it," he said.

"Someone like Warren Ebert, who is one of the most savvy investors in Queensland, understood why the Mantle Group was selling and that they would be a good tenant."

Mantle Group was established by Godfrey and Jenny Mantle in 1979, It operates venues such as the Pig 'N' Whistle, The Charming Squire and Jimmy's on the Mall.