

# GPT and MA Financial buy \$800m Ascot portfolio



Part of the Ascot Capital industrial portfolio bought by GPT Group for \$682 million.

**Martin Kelly**

Ascot Capital has netted almost \$800 million on the opportunistic sale of 27 logistics and office assets to GPT Group and MA Financial in one of Australia's largest property deals of the year.

Most of the spoils have gone to GPT Group, which paid \$682 million for 23 logistics assets and one office building in Canberra on sharp initial yield of 4.3 per cent. MA Financial bought the remaining three offices in Brisbane, Port Macquarie and Adelaide for \$115 million.

Bob Johnston, chief executive of GPT, said the debt-funded purchase will take the value of its logistics portfolio to \$4.1 billion.

"The acquisition will increase GPT's investment portfolio weighting to the logistics sector to 26 per cent, progressing us closer toward our medium-term target of approximately 30 per cent," Mr Johnston said.

"Growth in the sector will also be realised through GPT's logistics development pipeline, with an expected end value of approximately \$1.4 billion."

Mr Johnston said the assets all fully

leased and feature a weighted average lease expiry (WALE) of 9.8 years.

The sole office asset is in Canberra and understood to have cost GPT \$85 million.

Ascot Capital paid \$41.5 million for the building in mid-2016, reflecting the strong capital growth of the Canberra office assets over the past five years.

Matt Lane, managing director, real estate at MA Financial, said the three offices it bought are fully leased, were purchased on an initial yield of 5.2 per cent and have a WALE of nine years.

They've been bought for MA Financial's wholesale diversified property fund.

"They're backed by government tenants – it's really a strong covenant play," Mr Lane said.

"What's important to us is that each of the tenants have a really strong affiliation to the locations, so that means while it's a long WALE now, we expect it to be a longer WALE in the future."

Peter Agostino, a director of Ascot Capital, said the properties were put on the market as a portfolio to take advantage of investor appetite for logistics properties.

"We saw the market was very strong and, in particular, by putting a portfolio with scale up for sale we were likely to attract a premium and get attention from the big funds," Mr Agostino said.

Looking ahead, he said: "It's business as usual for us. We have ongoing existing syndicates and will continue to look for opportunities to purchase properties in the future."

It's been a huge year for Ascot Capital, which was also involved in the sale of Western Australia's Jandakot Airport and the adjoining logistics business park to Dexus.

Marketing of the portfolio – which originally numbered 28 until one was withdrawn – was led by Chris O'Brien from CBRE and Tim Church of Morgan Stanley.

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