

Ascot Capital in \$1b-plus logistics sale; hires MS, CBRE

WA property house Ascot Capital has put a \$1 billion-plus portfolio of logistics and office properties on the block, calling Morgan Stanley and real estate group CBRE to act as auctioneers.

As first reported by Street Talk yesterday, Ascot Capital's advisers are calling for interest in the portfolio of 24 industrial sites and four office properties, which have tenants locked in for close to a decade.

The bankers have sent a succinct flyer to potential buyers, pitching the portfolio as a "unique opportunity" and giving potential buyers five points to think about.

The first was the portfolio's large scale - 179,000 square metres gross lettable area on the logistics side and another 22,000 square metres in office properties, which makes it the second-biggest such portfolio to hit the block in Australia this year.

The bankers' next points were the blue-chip tenants - the NSW and Commonwealth governments, Brisbane City Council, Asahi among them - and the secure and growing income stream.

Finally the flyer, obtained by Street Talk, pointed to the logistics property sector's strong underlying fundamentals and Australia as a place to invest in property, more generally.

Of course the sale comes hot on the heels of ESR's whopper \$3.8 billion deal to acquire Blackstone's Milestone, which was made up of more than 50 warehouses, logistics parks and the like, and was sold at a skinny 4 per cent-odd yield.

Ascot Capital and its bankers are sure to go to the plethora of underbidders beaten by Asian giant ESR - Allianz, Centuria Capital, Dexis and the like - as a starting point. The bankers have called for expressions of



Ascot Capital's industrial and office real estate portfolio consists of 24 industrial and four office properties geographically diversified across Australia.

interest ahead of confidentiality agreements and a formal information memorandum.

As for the bankers, it's the first time we've spotted Morgan Stanley's power property team (now spearheaded by the Wall Street giant's chairman and ex-UBS banker Tim Church) working hand in hand with CBRE since the pair ran the highly successful Arnott's sale and leaseback, on behalf of KKR. The acquisitive Charter Hall and Centuria were the buyers on that occasion.

The deal marks another mandate for Church, who has had his hand in a host of big money sales in the past couple of years, including selling Telstra's core exchange assets to Charter Hall and the company's Clayton data centre to Centuria, as well as helping Ampol offload its petrol station portfolio last year and selling David Jones' iconic Sydney property.



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