

Arnott's cookie still crumbling

BEN WILMOT

US private equity powerhouse KKR is close to offloading the final element of the \$800m Arnott's property portfolio to a Charter Hall-run fund in the wake of it off-loading two key facilities to Centuria Capital for \$236m.

Those deals saw property in Queensland and SA sold to Centuria's listed industrial property trust.

The remaining facility in Huntingwood, NSW, is the major prize. Worth about \$550m, the asset is believed to be in the crosshairs of Charter Hall's specialist listed long lease property fund.

That listed funds company has assembled an industrial property empire worth more than \$7bn and its platform has close ties with both food manufacturers and supermarkets.

The groups were tight-lipped about further deals on Wednesday with the focus on the Centuria transaction.

The property funds manager is

finishing the year in striking fashion.

On Tuesday its office trust raised capital to back the purchase of a \$256m Canberra complex, and the latest buy takes the overall funds empire, run by John McBain and Jason Huljich, to about \$7.3bn.

The Arnott's portfolio was put on the block after KKR bought the Tim Tam maker from food giant Campbell's Soup as part of a US\$22bn (\$3.2bn) deal in August.

KKR then offered the property portfolio via investment bank UBS and real estate agency CBRE.

The Centuria Industrial REIT said on Wednesday it had struck the sale and leaseback deals with Arnott's and launched a \$154m placement at an issue price of \$3.41 per unit. The raising was handled by Moelis, UBS and JP Morgan.

The trust also revalued nine of its existing 46 properties, resulting in an increase of \$19m or 9.5 per cent on prior valuations.

The fund also reaffirmed its fiscal 2020 funds from operations and distribution per security guidance.

The

properties

are

at

46

Robin-

son

Road

East,

Virginia,

in

Queensland,

and

at

23-41

Galway

Ave,

Marleston,

in

SA.

The

Queensland

property

is

valued

at

\$211.8m

and

the

SA

asset

at

\$24.4m.

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