

OTR sales to raise \$25m

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SA fuel and convenience chain OTR is offloading four of its petrol station sites in a move expected to raise close to \$25m for the company's expansion.

The retailer will lease back the sites at Gepps Cross, West Beach, Glenunga and Kapunda under new long-term leases offered to investors.

OTR owns the freehold of the majority of its 150 sites across SA and five in regional Victoria, and is ramping up an expansion in Western Australia.

The group recently took over leases at five sites across Perth, with redevelopment and rebranding underway. OTR executive chairman Yasser Shahin, pictured, said proceeds from the sale of the four sites would be reinvested in to the OTR network either through upgrades and expansion or the acquisition of new sites.

"We are continually seeking to optimise our portfolio and might consider additional sales if market conditions remain positive," he said.

"At the same time, however, we are always looking for opportunities to extend the OTR network and will very much remain active acquirers of new sites."

The sale represents the first time OTR has offered its properties to the market. Industry sources suggest the four sites could attract a price tag close to \$25m.

The Shahin family was a

vocal critic of the State Government's land tax changes

during a heated debate last year, but says the property selloff is unrelated to the aggregation measures which came into force in July.

The Gepps Cross site is currently being developed, and will include a Hungry Jacks outlet when it opens before Christmas.

The Kapunda outlet includes a Subway restaurant and is the only 24-hour retailer in the town, while the West Beach and Glenunga stores are both currently undergoing major building upgrades.

Each of the properties are being offered with a 15-year lease, with 10 five-year extension options – a longer tenure than typically offered with service station properties. Mr Shahin said the sales would provide a "real world" guide to the value of the company's extensive property portfolio.

"These four sites have been chosen because they represent a broad cross-section of our network – metro and regional, with and without quick service restaurants."

International property agency CBRE has been appointed to sell the properties.