

Shahins sell OTR stations

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THE Shahin family has cashed in on a boom in service station sales, offloading six of its South Australian OTR sites for \$35.5m.

The sale to ASX-listed APN Funds Management was finalised last month and includes OTR properties in Naracoorte, Gepps Cross, Glenunga, West Beach, Kapunda and Murray Bridge.

OTR will lease back all six sites for 20 years.

CBRE's Ned Looker, who brokered the portfolio sale, said demand for service station properties had soared during the pandemic as buyers chased low-risk investment opportunities.

"OTR are an A-grade tenant with well-located real estate on long-term leases," he said.

"This is what every Australian investor is chasing and therefore we were exposed to everyone who was looking to buy an investment property at the back end of last year."

OTR owns the freehold of the majority of its 170 sites across South Australia, Western Australia, Victoria and NSW. The company tested the appetite from investors last September when it put four of the six service stations on the market to support the company's national expansion.

The Naracoorte and Murray Bridge sites were later added to the portfolio sale.

The properties were initially being offered with a 15-year lease and 10 five-year extension options – a longer tenure than typically offered with service station properties.

OTR executive chairman Yasser Shahin said proceeds from the sale would be reinvested in 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 OTR acquisition, by APN Convenience Retail REIT (AQR), is expected to settle later this month, and will increase its portfolio to 103 properties valued at \$655m.

Sales specialist Jamie Perlinger said the service stations would be sought-after in 20, 30 or 40 years' time.