

## Folkestone trust pays \$63m for nine Brisbane childcare centres

03/04/2018

by Larry Schlesinger



One of the nine Avenues Childcare centres (this one in Paddington) acquired by FET. Steve Ryan

Australia's largest owner of childcare centres, the ASX-listed Folkestone Education Trust, has swooped on a portfolio of nine Brisbane childcare centres in a \$63.2 million sale-and-leaseback deal with private operator Avenues Childcare.

The nine properties acquired are located in the suburbs of Aspley, Carina, Jindalee, McDowall, arkinson, Sunnybank, Shailer Park, Paddington and Norman Park. All sold with a 20-year leaseback agreement to the family-owned operator.

FET also entered into a long-term mandate with Avenues to develop new centres where suitable opportunities arose for both parties.

"We are pleased to be able to transact with Avenues Early Learning on these quality centres," said Folkestone Education Trust CEO Nick Anagnostou.



Nick Anagnostou is growing FET's Brisbane's childcare portfolio. Josh Robenstone

Sunnybank, Shailer Park, Paddington and Norman Park. All sold with a 20-year leaseback agreement to the family-owned operator.

The Brisbane deal will grow the value of FET's portfolio to more than \$850 million and the number of properties it owns to more than 360 childcare centres. It will also increase its weighting to the Queensland market, where it owned 126 childcare centres before this deal.

Further Brisbane acquisitions are in the pipeline with the trust seeking to reweight its Queensland portfolio to metropolitan Brisbane, which has "significantly stronger childcare and real estate fundamentals" than the rest of the state.

Avenues Childcare principal Mike Wu said FET shared the same vision about how the childcare sector needed to evolve and also had the capabilities to make it a reality.

CBRE's Tom O'Driscoll, Chris O'Driscoll and Darren Collins were appointed to sell the freehold Brisbane assets. Tom O'Driscoll said interest had come from high net worth individuals and small and large institutional funds, both domestic and offshore.

"Over the past six months, there has been a strong uptick in demand for childcare assets underpinned by a recognised and credible operator," he said.

In its half-year results released in February FET said it owned 355 properties (including one medical centre) valued at \$789 million with 55 per cent of its portfolio leased to Goodstart Early Learning, the country's biggest childcare centre operator.

The trust reported a 12.3 per cent rise in distributable income to \$21 million in the six months to December.

FET said the latest acquisitions would be funded via a combination of bank debt and proceeds from its ongoing asset recycling program