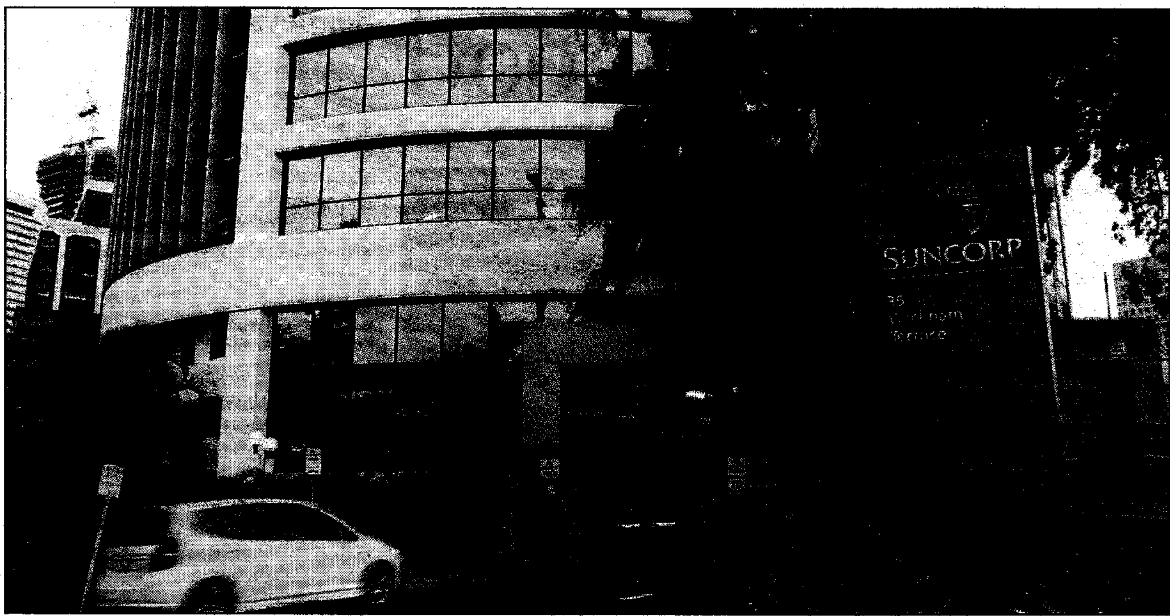

The sale of 310 Ann Street, Brisbane, will be struck at a yield of more than 11 per cent.

Armada aims to take Suncorp HQ

Ben Wilmot

Armada Funds Management has arranged to purchase insurance and banking group Suncorp's headquarters in Brisbane for about $63 million.

Armada's plan to acquire the 20-storey office building at 310 Ann Street, known as "The Wedding Cake", for its clients was foreshadowed by *The Australian Financial Review* in June.

Armada completed nine weeks of due diligence and will soon exercise its right to acquire the property.

The deal is being brokered by Jones Lang LaSalle's Ben McGrath and Geoff McIntyre. It is to be struck at a yield of more than 11 per cent, reflecting Suncorp's lease-back arrangement and the eventual need to find a new tenant.

Suncorp plans to shift to a new tower at the end of 2014 and has five developers shortlisted to build the 30,000 square metre project.

This will be cut down to two developers by the end of the month.

Armada's interest in Suncorp's existing A-grade building is partly based on a view that Brisbane's leasing market will further strengthen, especially given the cinct will face vacancy of 16,500 sq m at the end of 2014.

Tenant demand for Brisbane central business district office space has lifted and net absorption was 10,970 sq m in the second quarter of 2011, cutting the CBD vacancy rate to 6.8 per cent.

Mr McGrath said there had been a much greater level of confidence apparent in the Brisbane CBD office market in the past few months as the office vacancy rate fell below 7 per cent and leasing demand continued to strengthen.

Armada founding director Chris Monaghan is also confident about the leasing outlook, which is driven by resources, finance and government tenants.

Tale of differen

Nick Lenaghan

Stakeholders in Centro's tw entities face vastly different as the shopping centre giant to relaunch itself as a fresh, lion ASX Top 100 stock.

Investors and other clain Centro Properties Group a part of a company with $1. in negative net equity.

In sharp contrast, Centr investors are part of a compa almost $950 million in equity.

Their focus is to maxin upside, rather than rescue th side, as headstock investors

Chief executive Robert hopes those parent compan tors will be "rational" and carve up a $100 million payo

The alternatives for shareholders are 5¢ per sec likely nothing, if they reject and Centro is wound up by its

National Australia Bank equities analyst Peter Cashm that potential for receivershi be "sufficient motive" to shareholders to back the dea

After the new trust is laun NAB team anticipates "an sell-down" by Centro's he lenders – a bunch of 50-od funds – who will have swap for about 68 per cent of the tured equity.

"How the prodigal son is