

Receivers fall on Prime Trust as Suncorp pulls pin on villages

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The \$400 million portfolio of retirement villages controlled by the Prime Retirement and Aged Care Property Trust is likely to be split up as it sold off by rival receivers.

Suncorp-Metway appointed Ernst & Young on Friday as receivers of Prime's Bundaberg, Mackay and Townsville retirement villages, triggering further moves.

Receivers Craig Shepard and Mark Korda of KordaMentha have now taken control of seven properties namely: Nambour Retirement Village, Buderim Meadows Retirement Village, Chancellor Park Retirement Village, Noosa Outlook Retirement Village, Buderim Gardens Retirement Village, Bellfower Retirement Village and Lindfield Retirement Village.

The moves confirm a report in the *Weekend AFR* that lenders including National Australia Bank and an arm of Bank of Scotland International would appoint KordaMentha.

Mr Shepard said the properties were currently managed by Lend Lease Primelife and he did not expect any interruption to the day-to-day operations.

"One of our first tasks will be to complete an immediate review of the investment portfolio of properties with a view to seeking expressions of interest from buyers for some or all of the assets," Mr Shepard said.

Ferrier Hodgson is also expected to take control of some property.

Trust chairman and former federal health minister Michael Wooldridge again criticised Suncorp's appointment of receivers.

Dr Wooldridge said Suncorp's unilateral behaviour had "made things extremely difficult", adding the trust had been working on a deal that would have delivered returns "substantially" above secured debt, estimated at \$300 million.

A bank spokesman said Suncorp worked with the trust to explore all of the available options. This included offering more time.

Dr Wooldridge confirmed that Prime Trust's directors were expecting to appoint PwC as administrators today.

The Australian Financial Review

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