

Sentinel snaps up Pinkenba facility

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INDUSTRIAL

Sentinel Property Group has snapped up a major industrial investment with development upside in the prime Australia TradeCoast precinct, at Pinkenba in Brisbane's east, for \$48.5 million.

The waterfront bulk storage industrial facility on a 140,006sq m site in Tingira Street was bought in a leaseback arrangement with listed industrial chemical company Incitec Pivot.

The group will continue to run its fertiliser distribution centre from the site and will lease about 11.5ha of the property with 2.5ha on Soutter St available to Sentinel for further development.

The site also benefits from an adjoining wet lease of 15,370sq m with associated wharf infrastructure.

The Pinkenba property, purchased through Anthony White and Simon Beirne of Colliers International, adds to Sentinel's pooled Industrial Trust portfolio, which includes properties at Mayfield in Newcastle, Oxley in Brisbane and Paget in Mackay.

Sentinel managing director Warren Ebert said the Pinkenba purchase showed a strong investment yield above what prime industrial assets were currently trading for, as well as benefiting from development upside.

"This site offers unique ongoing investment potential with core bulk storage and liquid storage assets in low supply throughout Brisbane, particularly when coupled with direct river access," he said.

Recent sales of other industrial facilities had reflected yields in the range of 5.5 per cent to 7.5 per cent, he said. The Pinkenba property is being purchased at a passing net yield of 8.2 per cent.

Mr Ebert said the Australia TradeCoast precinct was a tightly held market due to the lack of

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available land.

"The proximity to Brisbane Airport, Port of Brisbane and major transport infrastructure continues to drive demand in this precinct," he said.

Major infrastructure projects include Brisbane Airport Corporation funding over \$2.5 billion worth of infrastructure over the next decade to keep up with the city's growing demands.

Brisbane-based Sentinel Property Group now has a total national portfolio of more than 40 retail, industrial, office, land, tourism infrastructure and agribusiness assets in Queensland, NSW, Victoria, Western Australia, the ACT and the Northern Territory, worth over \$1 billion.