BUSINESS EDITOR TONY RAGGATT
4722 4439 TONY.RAGGATT@NEWS.COM.AU

Property fund sees big future for city

TREMENDOUS POSITION: Warren Ebert, Michael Kopittke and Michael Sherlock of Sentinel Property Group hope to have $100 million invested in Townsville by June 30.

TONY RAGGATT

A BRISBANE-based property fund is bullish about Townsville with plans to grow its investments here to more than $100 million.

Sentinel Property Group has also suggested the State Government's "terrible" decision to block public funding to Adani's Carmichael coal rail line might only be a short-term drag.

"There's a saying in racing, that a champion will be a champion in spite of its trainer. Queensland will be a great place in spite of who is in power," Sentinel managing director Warren Ebert said.

Mr Ebert and Sentinel's chief marketing officer, Michael Sherlock, have been in the city this week to assess further investments and inspect improvements to its latest acquisition, the River Quays office building in Tomlins St.

Sentinel acquired the seven-level building, in which Adani is a tenant, late last year for $28.6 million and is investing a further $3 million in the building's maintenance.

Sentinel's North Queensland representative Michael Kopittke said local contractors were being employed to upgrade the property.

Mr Ebert said they were in due diligence with two more property acquisitions.

Subject to the assessments and finance, they expected to acquire an office building and an industrial property for a total of more than $25 million.

The fund already holds industrial property in Garbutt and retail assets in Deeragun.

"We think we will own $100 million in property in Townsville by June 30. That's where we are heading," Mr Ebert said.

"We are very bullish about North Queensland, particularly seeing what we are buying in Townsville."

Mr Ebert said they were taking advantage of a market downturn and buying "in the gloom".

Building prices were "way under" replacement cost, he said. "If you get a good quality office that you look after, you are in a tremendous position," Mr Ebert said.

If anything, this was not well recognised by capital city bankers who tended to be swayed by negative stories and unaware unemployment in Mackay was 3.8 per cent.

"Townsville had a terrible run but things have gradually turned," Mr Ebert said.

"The current Government (position) with Adani is a terrible situation ... it's difficult."

But he believed the market bottomed last year and now was slowly picking up.

Sentinel has a national portfolio of more than 40 retail, industrial, office, land, tourism infrastructure and agribusiness assets with a total value in excess of $1.1 billion.

'Failures' blamed for $476m Myer loss

MYER'S executive chairman has criticised poor decisions and competition "failures" under ex-chief executive Richard Umbers' leadership after the department store slumped to $476.2 million half-year loss.

Garry Hounsell, who was appointed chairman five months ago and then executive chairman in February after Mr Umbers was ousted, said the first half was blighted by poor strategy including a failure to fight aggressive competition in the lead-up to Christmas.

The troubled retailer's half-year result was hammered by a more than half-billion dollar writedown on goodwill but sales continue to be a problem after a string of downgrades, falling 3 per cent in the six months to January 27. Mr Hounsell told investors yesterday he has a plan to restore the bottom line while also stressing that the company was in "caretaker mode" as it searches for a new CEO.

Mr Hounsell, previously a strong advocate of Mr Umbers' "New Myer" turnaround strategy, which included store closures, brand overhauls and a focus on big-spending, fashion-forward professional women, did not refer to the plan by name.

"Some elements of the strategy, which targeted a new high value customer were rolled out too quickly and didn't balance enough attention on Myer's traditional customer base," he said. Instead, the company will shift its focus back on its traditional shopper, with Mr Hounsell saying he has been "driving the management team to trade the business more aggressively".

Analysts questioned whether the "traditional" Myer shopper exists any more, in a market splintered by online shopping and aggressive international retailers such as Zara.

But Mr Hounsell said the company's database showed there were still traditional customers who wanted to shop at a big department store.

NBN's internet pricing on the way down, says watchdog

INTERNET plans over the national broadband network are getting cheaper, a new report says, despite recent criticism from retailers that their NBN costs are too high.

A report by the Australian Competition and Consumer Commission says average prices of fixed internet services fell 9.4 per cent in the 2016-17 financial year, with NBN prices down 4.5 per cent and non-NBN prices falling 11.2 per cent.

The report said improvements in data allowances had driven the decline, which suggests customers are getting better value out of their broadband plans. The cost of wireless broadband and mobile services also dropped, and ACCC acting chair Delia Rickard said consumers were getting greater value for money due to competition.

"At a time when affordability in energy markets is a major concern, competition in the broadband and mobile market is continuing to benefit consumers," Ms Rickard said.

"We are seeing new players enter the fixed and wireless broadband markets and this will provide further competitive pressure going forward."

Retailers have previously criticised NBN Co's broadband pricing.