

High yield attraction in Mackay

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SENTINEL Property Group has increased its regional Queensland holdings with the purchase of a Mackay CBD office building on a highly competitive yield.

The Brisbane-based fund manager paid \$3.5 million for the two-storey building at 22-30 Wood St.

The sale realised an initial passing yield of 15.08 per cent.

Sentinel managing director Warren Ebert said the property was fully leased to Queensland's Department of Natural Resources and Mines, Department of Housing and Public Works, and Department of Environment and Heritage Protection.

"The price equates to about \$1725/sq m of NLA (net lettable area), which is considered below building replacement cost, while the initial passing yield is well above yields of comparable assets," he said.

The building has an NLA of 2031sq m and is on a 1947sq m freehold site.

It will be added to the Sentinel Mackay Office Trust.

Mr Ebert said Sentinel sought opportunities in central and north Queensland.

"Mackay will benefit from more than \$12 billion in current and future infrastructure investment in the region," he said.

"According to the Mackay Regional Council, unemployment in the Mackay region fell to 2.6 per cent at the end of the June quarter 2018."