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Adani HQ in \$28.6m sale deal

Buyer seeks more property

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PROPERTY fund Sentinel has bought the Townsville office tower that hosts the regional headquarters of the Adani group and the engineering contractor for its Galilee Basin rail project, Aecom.

The sale of the almost fully leased River Quays building in Tomlins St, South Townsville settled yesterday for a price of \$28.6 million.

Sentinel managing director Warren Ebert said they believed Adani's Carmichael coal and rail project was going ahead but were confident that, even if it didn't, the North Queensland economy was set to boom.

"We have a view (that Adani is going ahead)," Mr Ebert said.

"I'm comfortable enough that other things are happening so even if Adani doesn't happen, there's still good upside in that market."

The acquisition of River Quays is the eighth addition to the Sentinel Regional Office Trust during the last 14 months, with a combined value of more than \$231 million.

The forecast distribution to the trust is 95 per cent a year.

The trust comprises office buildings in Newcastle, Darwin, Brisbane, Port Macquarie and Cairns.

Mr Ebert said he was confident

about the economic outlook for Townsville, with the city and surrounding regions poised to benefit from massive infrastructure, defence and mining projects.

"Townsville is Australia's 13th largest city and is at the epicentre of more than \$22 billion worth of projects within the infrastructure, sporting, mining, defence, health and manufacturing sectors," he said.

The seven-storey River Quays building, which was purchased through Quinlan Property Group's John and Michael Quinlan, and CBRE's Peter Court and Mike Walsh, offers a net lettable area of 9414sq m and is leased to national and global tenants including the Commonwealth Department of Agriculture, Telstra, Adani and Aecom.

River Quays generates passing net income of \$2.6 million, equating to a passing yield of 9.19 per cent with a Weighted Average Lease Expiry of 2.95 years.

Mr Ebert said they were looking at other purchases in Townsville.

"We want to buy more properties in central and North Queensland. We are still an active buyer," he said.

Sentinel has a total national portfolio of more than 40 retail, industrial, office, land, tourism infrastructure and agribusiness assets in Queensland, New South Wales, Victoria, Western Australia, the ACT and Northern Territory, with a total value in excess of \$11 billion.