

# Sentinel bags regional Qld mall on 8.5pc yield

Larry Schlesinger



Brisbane-based fund manager Sentinel has added to the steady flow of institutional capital pouring into regional towns after paying \$28 million for a Coles-anchored neighbourhood shopping centre in Moranbah, a mining town in central Queensland.

The deal for the Moranbah Fair Shopping Centre, a 7058-square-metre mall on St Francis Drive in the town centre, was struck on an attractive yield of 8.5 per cent.

Sentinel, led by Warren Ebert, acquired the property from the ASX-listed Elanor Retail Property Fund at its book value.

Moranbah Fair Shopping Centre is in the beating heart of the state's coal sector.

Elanor paid \$25 million for the mall in 2017, when it bought it from Charter Hall Retail REIT.

Anchored by a Coles supermarket, Moranbah Fair includes 16 specialty shops leased to Telstra, The Reject Shop, TSG, Priceline Pharmacy, Anglo American and others.

Mr Ebert said Sentinel had acquired an important piece of infrastructure in a strongly performing regional centre.

"The Isaac region is underpinned by approximately 24 operational mines, producing 42 per cent of Queensland's saleable coal.

"The recently approved \$1 billion Olives Down coal mine project is located approximately 40 kilometres south of Moranbah and will create more than 1500 local jobs, generating more than \$8 billion to the local economy and more than \$10 billion to Queensland's economy."

Sam Hatcher and Jacob Swan from JLL negotiated the sale of Moranbah Fair on behalf of the Elanor fund.

Sentinel joins a growing number of fund managers and private investors seeing opportunities to generate higher return by buying neighbourhood centres, supermarkets and large-format retail in regional centres.

Last week, Melbourne-based fund manager Collective Capital paid almost \$30 million for a large-format convenience mall in Albury on the NSW-Victoria border on a 6.2 per cent yield.

Also in August, SCA Property Group paid \$34 million for the Woolworths-anchored Drayton Central Shopping Centre in Toowoomba, with the deal struck on a yield of 5.4 per cent.

In July, The Australian Financial Review revealed \$100 million of regional mall acquisitions by private investors, including the Coles-anchored Torquay Village near Geelong, which changed hands for \$40 million on a yield of about 5 per cent.

Sentinel will add Moranbah Fair to its diversified investment trust, which includes the commercial complex The Hub @ Greenfields in Mackay.

Mr Ebert said Moranbah Fair offered the only full-line supermarket within about 160 km, while national tenants represented more than 70 per cent of gross passing income.