



## Business - Commercial Property

### Burnie Bunnings offloaded to Charter Hall for \$21million

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Diversified **property** player Charter Hall has begun collecting assets to seed a new consumer staples fund, paying \$21 million for a Bunnings Warehouse in Tasmania.

Charter Hall **purchased** a store leased to the Wesfarmers-owned national hardware chain in Burnie, on Tasmania's north coast, via its balance sheet for an initial yield of 6.1 per cent. The 3.04-hectare **site** will be the first **property** to underpin the **group's** Direct Diversified Consumer Staples Fund, set to launch next month.

The Burnie **site**, with 8.9 years remaining on its 12-year lease and annual 3 per cent rent increases, was offloaded by a private syndicate.

"A 12,254-square metre Bunnings Warehouse is consistent with the **group's** investment and product strategies of owning well-located assets, leased to strong tenant covenants on long-term leases with secure and growing income," Charter Hall's chief investment officer Sean McMahon said.

Mr McMahon said Charter Hall's platforms now had more than \$1.1 billion invested in 35 Bunnings stores across the country.

"The Burnie **property** is strategically located in a land constrained, core location with no direct competition providing an ideal long-term facility for Bunnings," he said.

The new consumer staples fund would be aimed at giving investors exposure to a **property** portfolio leased to companies that get their revenue from the **sale** of consumer goods, the **group** said.

Burgess Rawson director Darren Beehag handled the **transaction**. Mr Beehag said similar sites were "highly sought after" by investors because of the net lease structure, guaranteed fixed rent reviews and the large strategic landholdings.

The **sale** suggests a trend towards further tightening of yields in the sector.

A smaller format Bunnings Warehouse in Colac, in regional Victoria, **sold** for \$7.8 million in July on a similar 6.1 per cent yield.

Another smaller Bunnings in Warragul, also in regional Victoria, **sold** with a six-year lease in place for \$6.43 million a year ago on a 6.6 per cent yield.

A **sale** in August last year of a new Bunnings in Yarrawonga with a 10-year lease to a mainland **Chinese** investor on a 4.9 per cent yield set a new standard outside of Australia's capital cities, selling for \$11.6 million.

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