

FINANCIAL REVIEW

SE Property
HD **Primewest goes troppo**
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West Australian syndicate Primewest is buying the Port Village Shopping Centre in Port Douglas, far north Queensland, in a deal worth more than \$25 **million**.

The move provides further evidence of the rebounding investment in Queensland's coastal property.

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The **purchase** of the 6358 square metre village is one of the biggest deals in the area since the co-founder of former ASX-listed Excel **Coal**, Chris Ellis, snapped up the Port Douglas marina for \$11.6 **million** from developer Russell McCart in January.

That followed listed Singaporean hotel operator Hotel Grand Central's **purchase** of the Novotel Palm Cove for \$10 **million**.

Primewest director John Bond said the investment was the first the syndicate had looked to make in the tourism region of Queensland.

"We did not specifically target Port Douglas. We targeted a certain criteria of investment and the Port Douglas village just happened to matched that," Mr Bond said.

He said Primewest was starting to have doubts about other property classes such as office towers and that it was a lot more confident with neighbourhood shopping centres, even in regional areas such as north Queensland.

"We do have concerns about some property classes at the moment," he said. "However, this is the third neighbourhood shopping centre we have purchased this year. We have confidence in them."

Anchored by a strong performing Coles supermarket, as well as a Target and 18 speciality tenancies, Port Village was given a \$10 **million** redevelopment in late 2010, which doubled the village's size.

Primewest's deal was struck on a yield of 8.5 per cent with a fully leased forecast income of \$2.1 **million** per year. A private family was the vendor.

JLL's Jacob Swan and Sam Hatcher negotiated the deal but declined to comment.

After suffering during the global financial crisis, north Queensland's commercial property market has started to show signs of life. Deloitte's latest tourism and hotels report noted that the lack of new development in the past five years positioned the area well for an upswing.

"With no supply increases in the near term pipeline, the outlook for occupancy rates in tropical north Queensland is for continuing improvement over the next three years," the report said.

Unlike Primewest, the majority of property plays in the area have been made by private individuals looking to capitalise on bargains.

Coal entrepreneur Paul Darrouzet has snapped up Abell Point Marina at Airlie Beach for \$27 **million** last year while other privates such as **Chinese**-born media and **mining** tycoon William Han is spending up to \$200 **million** revamping his Lindeman Island in the Whitsundays.

More recently, Sydney-based **Chinese** investor Fullshare purchased the Marina Mirage at Port Douglas, buying out developer David Mariner.

CO hotgc : Hotel Grand Central Ltd

IN ireest : Real Estate | icre : Real Estate/Construction | i66 : Hotels/Restaurants | i665 : Lodgings | i6651 : Hotels (except Casino)/Motels | ilea : Leisure/Arts/Hospitality | itourm : Tourism

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