

# Coast identities buy in boom town

by Tracey McBean  
business property editor

TWO Gold Coast investors have outlaid \$7.5 million to get in on the ground floor of Mackay's tight commercial property market.

Transport and logistics figure Jay McPhee and businessman Deniz Mete have purchased two of the largest office buildings in the city's business district.

Mackay is a boom town that is undergoing significant population and construction growth thanks to the mining and tourism industries.

Mr Mete, who operates through Zined Group, said the partnership planned to refurbish and 'reposition' both properties during the next five years.

He said the properties were grossly under-rented and due for major market reviews.

"There is a huge shortage of prime office space in Mackay," said Mr Mete.

"The vacancy rate is almost zero and there is negative unemployment.

"I have been scouring regional areas such as Mackay, Gladstone and Townsville for a long time and those markets are very hard to enter because of the number of people buying and developing."

The two acquisitions are the Suncorp building at 123 Victoria Street, bought for \$4



123 Victoria Street... one of two Mackay business district buildings bought for \$7.5 million by Gold Coast interests and earmarked for makeovers in the next five years

million, and CHR Building at 224 Victoria Street, snapped up for a \$3.5 million outlay.

The Suncorp property has 3000sqm of floorspace over four levels and is fully leased.

Tenants in the circa-1980s building include Suncorp at

ground level, government departments, a mining company, two radio stations and a dentistry practice.

The property returns a gross annual income of \$420,000.

The CHR Building has

1800sqm across two levels and is fully leased.

Its tenants include CHR Recruitment, the Housing Industry Association, Snap Printing and mining industry services company Orica.

The property was refur-

bished in 2000 and returns gross annual income of \$340,000.

Mr Mete said that CHR Building would also be extended to take advantage of its 1400sqm landholding.

He said that, despite the

shortage of office accommodation in Mackay, soaring construction costs in the city would limit the amount of new commercial space entering the market.

"That makes what we have even more special," said Mr Mete.