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MTLT properties offered for sale

Six properties owned by the Masterton Trust Lands Trust (MTLT) are to be offered for sale following a review of the trust's property portfolio and the recent identification of structural issues with a number of other trust buildings.

The trust plans to offer for sale the property at 34 Railway Crescent (leased by ITM Tumu), a residential property at 138 Pownall Street, land in Kokiri Place, a block of three shops in Kuripuni, 136 Queen Street (The Chemists) and the Chapel Street property occupied by Burger King.

MTLT general manager, Andrew Croskery, said the properties were identified as part of a review of the entire MTLT property portfolio. They have an estimated combined value of between \$5.5 and \$6.5 million and are mostly standalone properties that are not of strategic value to the trust.

"Proceeds from the sales will allow us to get on with the structural remediation work on the other buildings as soon as possible so we can continue to offer property of the highest quality, look after our existing tenants and attract national tenants," Mr Croskery said.

"Aside from that, it is good practise to continually review and update the mix of property held in the portfolio to maximise the long-term returns to the community, within the low-risk profile of the business."

With the exception of the property occupied by Burger King, the properties for sale are either standalone or located on the outskirts of Masterton.

The Burger King property is part of the trust-owned 'Star Block' which includes Avanti and the building taking in retail shops between Lincoln Rd and Trade Aid on Queen Street. "Selling this property will reduce the amount of capital tied up in one property and, in time, provide an opportunity to diversify the portfolio."

MTLT chairperson, Leanne Southey, said the proposed sales would have a minor effect on the trust's annual rental income and had little relationship to the level of annual grants to the community.

"The trust is committed to its education funding strategy which is set for the next three years, and to the funding of Aratoi," Miss Southey said. "However, the structural issues with buildings mean that it is highly likely that community grants in the coming year will be limited."

Under the trust's own legislation, the proposed sales are being advertised and feedback on this can be provided.

Ends