

SE Business
HD Circular Quay **site** a hot **property**
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WC 489 words
PD 12 August 2014
SN The Australian
SC AUSTLN
ED Australian
PG 21
LA English
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AUSTRALIA'S **apartment** boom could be about to reach new heights with Asian giants circling a series of Sydney's best office towers for conversion into luxury units.

Private **equity** giant Blackstone has called for advice on the future of **Gold** Fields House that sits right on Sydney's Circular Quay and could be converted into a \$1 **billion** luxury **apartment** project.

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Gold Fields House is considered one of Sydney's most sought-after development sites, with the Circular Quay location dramatically elevating its value.

Firms ranging from London's Candy & Candy to **Chinese** giant Greenland Holding are expected to jump at the chance as they could ride a broader revamp of the area by local and foreign developers.

AMP Capital and Mirvac **Group**, as well as Singapore's Stamford Land Corporation, have **apartment** projects on the go that could see Circular Quay ringed by apartments rather than being dominated by office towers.

While sources close to the **firm** insisted that no appointments had been made, real **estate** firms have been tapped for their suggestions — and **apartment** conversion is again at the top of the list.

Gold Fields House was bought in 2006 for \$274 **million**, with Valad teaming up with its wholesale Australian V-Plus Fund — which reportedly includes the Abu Dhabi Investment Council, Dutch pension fund APG and the Telstra superannuation fund as investors — owning the remainder so any decision must be agreed among these players, sources said.

Although it would now sell for a much higher sum, as part stakeholder and manager of the unlisted fund that owns the building, the Blackstone-owned Valad **Property Group** has been reluctant to sell the building despite fielding a bevy of aggressive offers over the past two years, industry executives said.

In 2008 Valad gained stage one development approval for a **commercial** and **residential** tower on the block, and subsequently secured approvals for luxury apartments, before Blackstone took control of the **company** and appeared to put these plans on ice.

Chinese players are already vying with Southeast Asian groups for the chance to **buy** a tower on Hyde **Park** at 201 Elizabeth Street, which Dexu **Property Group** and Perron **Group** have offered up for **sale**.

The tower has attracted interest from Singapore's deep-pocketed Far East Organisation and is rumoured to have attracted a sharper offer from the Singapore-based Tay family's local outfit Memocorp of \$350m-plus.

Property executives identified **Chinese** development giant Dalian Wanda **Group** as a potential buyer of the **site** as it is keen to get into Sydney, in addition to purchasing a **site** for a \$1bn complex on the **Gold** Coast. Some international players have recognised the heat in the Sydney market and are

looking to capitalise, with Singaporean GIC Real Estate's office tower at 175 Liverpool Street expected to go to a residential player for up to \$450m.

CO hsh : Stamford Land Corporation Limited | mirva : Mirvac Group | blgrou : The Blackstone Group LP

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AN Document AUSTLN0020140811ea8c0004o