



HD Roundup: Singapore **property** giant buys landmark building in Sydney, preluding new binge on Aussie **property** By Christian Edwards

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SYDNEY, March 7 -- One of Sydney's exemplar development sites was snapped up by a Singaporean developer on Thursday, in a landmark **sale** that "significantly exceeded" previous estimates and has the potential, according to industry insiders, to "ring like a starters pistol," for a new Sydney-bound **property** investment plunge.

Minister for Finance and Services Andrew Constance Friday announced the **sale** of the blue-ribbon Ausgrid building on George Street for 151.8 **million** Australian dollars.

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"The building has been **sold** to Far East Organization after they won a competitive public tender that received strong interest from both local and international investors," Constance said.

The **sale** will compliment two **Park** Street buildings snapped up last month overlooking Sydney's iconic Hyde **Park** for 127 **million** Australian dollars.

Constance said the 151.8 **million** dollars generated from the **sale** of the Ausgrid building "significantly exceeded its retention value."

The minister added the funds will be used to fund essential services and infrastructure across the state.

Founded by Singaporean **billionaire** Ng Teng Fong in the 1960s, the Far East Organization is the largest private **property** developer in Singapore by a generous distance, having seeded more than 600 properties in Singapore.

The Asian leader is exactly the paradigm that Australian industry experts and officials have been hoping to shift toward. It has two listed subsidiaries, Far East Orchard Limited and Yeo Hiap Seng Limited. It also has a sister **company**, Sino **Group**, among the most prolific **property** developers in **Hong Kong**.

This week the state deputy premier and minister for trade and investment, Andrew Stoner, announced a broad relaxation of investment migration requirements, streamlining two core business and retirement visas to add to an alluring portfolio that includes the Significant Investor Visa (888) that is aimed at investor with an appetite for Sydney's capital-hungry economy.

"By streamlining requirements for NSW nomination for these visa pathways we are giving potential investors and entrepreneurs from overseas even greater confidence that NSW is open for business and ready for business," Stoner told Xinhua.

Sydney remains a global-magnet for **property**-hungry investors, particularly from the big three -- the United States, Switzerland and **China**.

Global investment bank Credit Suisse has forecast **China** alone will invest 44 **billion** Australian dollars into Australian **residential** real **estate** over the next seven years.

Using data released last week by the Foreign Investment Review **Board** (FIRB), Department of Immigration and Bureau of Statistics (ABS), the bank puts **Chinese residential property** investment at an estimated 5 **billion** Australian dollars per annum.

The FIRB said that offshore buyers, rather than withdrawing from the Australian market, broke records in purchasing 5.5 **billion** Australian dollars worth of established **property** last financial year, compared with just 647 properties worth 810 **million** dollars in 2009-10.

However, the United States remains the largest foreign investor in Australia by far -- spending 20.6 **billion** Australian dollars last year -- followed by the Swiss with 18.3 **billion** Australian dollars.

The Credit Suisse report estimates that **Chinese** investors and newly arrived immigrants have spent about 24 **billion** Australian dollars on Australian **property** over the past seven years.

According to the minister, the Ausgrid building -- which has been an instantly recognizable part of Sydney's architectural furniture for half a century -- has the potential to be converted into a **hotel**, retail and **residential** complex, which, subject to planning approval, will support hundreds of jobs and fast-track critical investment in Sydney's CBD.

"The **sale** of this asset again highlights that investors have full confidence in our economy as a key destination for international investment."

According to Forbes magazine, The Ng brothers that now hold sway over Far East are worth over 12 **billion** Australian dollars.

The magazine has valued their private real **estate** holdings over 6.3 **billion** Australian dollars.

Following a binge on Australian real **estate** -- notable even during the run on Aussie **property** since the global financial crisis -- Far East has injected close to 1 **billion** Australian dollars into the local **commercial property** and **hotel** business since the beginning of 2013.

Constance said the NSW government is committed to ensuring government-owned office space is used more effectively or relinquished.

"Recycling non-core government **property** assets continues to deliver results for the people of NSW. We passionately believe that government-owned **property** assets must be put to best possible use," he said.

According to the State Office of Finance and Services, a "rigorous disposal process" for the Ausgrid **sale** was undertaken by the NSW government, with the assistance of independent financial advisers, to ensure "the best outcome for taxpayers."

"The NSW government's second tranche of asset sales is progressing well, and includes the **sale** of the iconic Sandstone Buildings located on Bridge Street."

Earlier in the week, a Canberra-based director of Sunrise **Property Group** (SPG), Richard Grainger, told Xinhua that Australian **property** was "just about on par with **gold** as a global safe-haven."

"It's an important signal for Sydney, a starters pistol. Where Far East go, the money follows." He added. (US\$ 1 equals 1.1 Australian dollars) (PNA/Xinhua)

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