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FINANCIAL REVIEW

SE Property
HD Aqualand sale proof of demand

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LP Investment and advisory group Anton Capital has sold out of a North Sydney office tower for \$157.5 million, nearly double the price it paid a year ago.

The big increase shows fierce competition for well-located inner-city apartment sites remains.

TD Chinese-backed developer Aqualand –which has in the last six months entered the Australian real estate market, purchasing a number of high-profile sites such as the CSIRO complex in North Ryde –bought the office block which Anton purchased in December 2013 for \$84 million. However, there were several domestic and offshore bidders for the property that were not far behind in terms of pricing.

The building, at 168 Walker Street, has residential conversion potential but is not yet approved for development. Anton has over the last year been creating a viable development plan to be lodged with council, sources said, and the 5000-square-metre site with harbour views could yield about 450 apartments. The building has demolition clauses after 2019.

The sale comes as debate rages over whether historically low interest rates are fuelling the growing competition for development sites in Sydney, where inner-city land is scarce.

Anton declined to comment on the deal when contacted by The Australian Financial Review. The group has cemented itself in the market as a significant buyer and seller of core plus and value add real estate. Established in 2011, it has advised clients such as MGPA and [Goldman Sachs](#) and has been involved in a handful of high-profile property transactions, including the purchase of a \$250 million portfolio from Arena.

CBRE's Josh Cullen brokered the off-market deal on behalf of Anton. Mr Cullen said the transaction demonstrates that the huge depth of demand for quality commercial real estate with conversion potential has not abated.

"This result is a continuance of overseas funds, especially Chinese, securing strong commercial assets with residential conversion future," Mr Cullen said. "Sites in major CBD locations in excess of 5000 square metres with uninterrupted views are extremely rare."

Aqualand has become a formidable force in the real estate market. Just before Christmas, it is understood the group paid \$51 million for a site in Sydney's Dulwich Hill from [Stamford Land Corporation](#). Stamford bought the site about 12 months ago for under \$25 million.

Aqualand also picked up the CSIRO headquarters in North Ryde, and a 4.85-hectare site in Parramatta that could yield over 1000 units, for nearly \$300 million in two separate transactions earlier in 2014.

Aqualand was contacted for comment.

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