

THE AUSTRALIAN

SE PrimeSpace

HD **Chinese** capital targets city asset conversions

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LP **EXCLUSIVE Chinese** conglomerate Fosun International is believed to have entered exclusive due diligence to **buy** a Sydney CBD office tower with **residential** conversion potential for about \$430 million.

The **group** is now the preferred party to **buy a property** at 201 Elizabeth Street, which is owned Dexu **Property Group** and Perron **Group**, according to sources.

TD The Australian revealed last month that Fosun had made an offer on the building, bidding against a rival **Chinese** syndicate.

It is thought that the talks have now progressed further with Fosun heading the race.

The building was first put on the market last year as an **apartment** conversion play, but its suitor, **China's Dalian Wanda Group**, pulled out of the **purchase** due to uncertainties about the eventual planning outcome.

Its co-owners are trying to get the **site** approved for development, and the deal being finalised may be predicated on their ability to do so, according to sources.

It is believed that **Savills** has introduced Fosun.

Fosun, Dexu, Perron and Savills declined to comment.

The move by Fosun shows that **Chinese** developers continue to be attracted to **apartment** projects in the Sydney CBD, despite fears of an overheated market and concerns about **China's** own economic circumstances.

It would follow moves by a host of Asian developers in the Sydney CBD to convert old office buildings into glistening **apartment** towers.

Hong Kong-listed Shimao **Property**, **China's Dalian Wanda Group**, Visionary Investment **Group** and Singapore's Far East Organization are among those with conversions in the pipeline.

China's largest developer, Greenland **Group**, is building a \$700m **apartment** and **hotel** project on the old headquarters of Sydney Water at Bathurst Street.

Elsewhere in Sydney, a number of **Chinese** companies have made aggressive offers on an office tower at 117 Clarence Street towards the northern end of the city.

The building, owned by Altis **Property** Partners is expected to reap about \$80m. **Chinese** conglomerate Nanshan **Group** has run its ruler over the **property**, while other **Chinese** companies King **Group** and Chip Eng have also shown interest.

Local **group** EG Funds Management is also one of the lead contenders, according to sources.

The owners initially aimed to sell the building with the adjoining pub to create a bigger development scheme, but many have shown interest in just the office component. Altis and the agents on the building, CI Australia and Knight Frank, declined to comment.

CO dbrrrt : Dexus Property Group | dwgrcl : Dalian Wanda Group Company Limited | fosuni : Fosun International Limited | prrn : Perron Group

IN i81502 : Trusts/Funds/Financial Vehicles | i8150206 : Closed-end Funds/Investment Trusts | i815020602 : Real Estate Investment Trusts | i8396 : Diversified Holding Companies | ibcs : Business/Consumer Services | icre : Real Estate/Construction | ifinal : Financial Services | iinv : Investing/Securities | ireest : Real Estate

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