

The Sydney Morning Herald

SE **Commercial** realestate
HD **Lowy family may benefit from Westfield split**
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The next five weeks until the end of the current financial year are going to be busy, with agents and fund managers of listed and unlisted trusts predicting a flurry of deals.

The biggest and most written about so far is the proposed demerger of the Westfield **Group** to form Scentre in Australia and New Zealand and Westfield Corp for the northern hemisphere business.

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Shareholders will vote on the deal next Thursday, May 29, and while the argy-bargy is still on between some investors, the Australian Shareholders' Association and the **company**, the tone of the remaining investors seems to be turning to a win for the Lowy family. The two main proxy advisory groups, CGI Glass Lewis and ISS, have thrown their support behind the scheme, but the only vote that matters is after 2pm on May 29.

Elsewhere, there is the battle between Stockland and Australand, which is also tipped to move forward in the coming weeks.

There is talk in the market that Stockland's chief executive, Mark Steinert, is looking to make a big divestment, possibly of the Waterfront Place office asset in Brisbane, to raise cash to alter the current scrip offer.

Office assets such as those being **sold** by the Singapore Government Investment Corp, including 175 Liverpool Street, are expected to hit the market.

Already, a long line of buyers is showing interest in 52 Martin Place. Then there are the buildings in the same area to be left vacant by Westpac in the coming years, which leasing agents say are also being viewed by potential tenants.

On the listed real **estate** investment trust (REIT) market side, the sector is being traded well as a safe-haven investment in times of economic uncertainty.

Brokers say the REIT index has performed well as local institutional investors by the trusts as a form of a bond, as the trusts bring in the stable recurring income from rental revenue.

According to the Asia Pacific Real **Estate** Association, the REITs in Asia may be a good option for gaining exposure to direct real **estate**, with the added advantage of liquidity and much lower **transaction** costs.

A report by IPD and led by Bryan Reid, vice-president of IPD, which focuses on short-term linkage in four key markets in the Asia-Pacific region (Australia, Japan, **Hong Kong** and Singapore), says there are strong correlations to support the case for using the listed market to achieve some exposure to **commercial property** during the last quarter of 2014.

Vale Sabina Rust

The retail industry lost one of its brightest lights this week with the passing of Sabina Rust. Together with her husband, Michael Lloyd, Rust was the co-founder and editor-in-chief of Shopping Centre News, an industry must-have because of its Big Guns, Little Guns, CBD Guns and Mini Guns surveys. She will be sorely missed.

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CO aurhld : Australian Shareholders' Association | westgp : Westfield Group

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RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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