



SE Business - Commercial Property

HD Goodman's \$1.7b sales pipeline

BY Carolyn Cummins

WC 408 words

PD 18 November 2015

SN The Age

SC AGEE

ED First

PG 29

LA English

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LP Goodman Group has \$1.7 billion worth of conditional sales from its urban development pipeline with the cash used to conquer more overseas markets.

Part of the potential sales is the \$600 million site at Sydney Olympic Park, as well as sites at Homebush and South Sydney.

TD It was speculated the [China Investment Corporation](#) was looking at the Carter Street industrial precinct at the Sydney Olympic Park in Sydney's west.

Goodman chief executive Greg Goodman said the group was focused on improving the quality of the properties and income in this part of the cycle, by rotating assets and reinvesting in the strength of the development business.

In the first quarter results for the 2016 financial year, Mr Goodman said the demand for warehouses for e-tailing operations was very strong across all its businesses in Europe, Britain, Asia and Australia.

He said Brazil was on the radar but "it's down the track".

But he said the group was taking advantage of the high demand for urban renewal land, particularly in Sydney and Melbourne.

"Goodman is working through its current urban renewal pipeline and continues to benefit from the ongoing evolution of urban renewal precincts and identification of new sites across its portfolio," Mr Goodman said.

He added the urban renewal pipeline in Sydney alone stands at about 35,000 apartments, which is in addition to the sale of 10,000 apartment sites completed or conditionally contracted to date.

Analysts speculated other sales could occur at sites at Moorebank and South Sydney and higher density achieved at North Ryde.

In the first quarter, \$110 million worth of sites in the \$1.7 billion pipeline was settled and further settlements will occur over the next three years, providing a substantial long-term source of capital to fund opportunities across the group and its joint venture partners.

Mr Goodman reaffirmed its forecast full year 2016 operating earnings per security of 39.4¢, up 6 per cent on the 2015 financial year.

Macquarie Equities' analysts said Goodman's global diversity continues to underpin a growing development pipeline which is being well matched with wholesale capital, with both factors combining to deliver stable growth in the overall business.

"Positive tailwinds for the stock include residential conversion opportunities; deployment of balance sheet capacity, and Goodman's ability to raise equity from wholesale investors," the brokers said.

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AN Document AGEE000020151117ebbi0004r

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