

# The Sydney Morning Herald

SE **Commercial** realestate  
HD **Lend Lease ready to sell its stake**  
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Barangaroo - Office towers on block

Lend Lease is closer to selling its stake in Barangaroo South amid market speculation a full **sale** or a joint venture partner is about to sign a deal.

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This was prompted by news that Lend Lease is preparing its balance sheet for a sell-down of its stake in the Barangaroo office towers, with a proposal to allocate \$400.5 million to its subsidiary, Lend Lease Trust, in a new capitalisation plan.

**Property** agents have said they understand Lend Lease is talking with domestic and international investors. An announcement of a deal was expected "sooner rather than later", one said.

The plan requires shareholder approval at the Lend Lease annual shareholder meeting, scheduled for Friday November 14, in Sydney.

The agents said super funds such as ISPT, Cbus and UniSuper would be interested parties, with the Singaporean, **Chinese**, British and German funds competing, to take advantage of the weaker Australian dollar and low interest rates.

However, if the reallocation proposal is passed next month, the Lend Lease Trust could also look to invest directly.

Lend Lease chief executive Steve McCann has repeatedly said every asset of the **company** in all divisions is potentially for **sale**, and he has made it clear that Lend Lease's remaining interest in Barangaroo is on the market.

In the notice of meeting it says that in 2012 Lend Lease allocated \$500 million into the wholesale Lend Lease International Towers Sydney Trust. This resulted in it holding a 25 per cent indirect stake in the **commercial** towers, known as Tower 2 and Tower 3, at the Barangaroo South development in Sydney.

"The Lend Lease **group** intends to introduce co-investors into Tower 1 at an appropriate time in the future. In line with the intended benefits of the stapling, Lend Lease Trust may invest in Tower 1 in the future," the notice of meeting says.

In April this year, Lend Lease unveiled an agreement to reduce its co-investment in the International Towers Sydney Trust from 25 per cent to 15 per cent via a **sale** to international pension fund APG.

"Also in April 2014, the **company** announced that the Lend Lease **group** will commence the development and funding of 100 per cent of the Barangaroo South **commercial** building known as Tower 1, via existing capital sources. The development activities in relation to the Barangaroo South development, including Tower 1, are managed by a subsidiary of the **company**," the notice of meeting says.

This was also supported by Mr McCann at the recent investor day where he said a focus of the **group** remains on securing further large-scale urban redevelopments, with cash coming from the **sale** of existing projects.

**CO** llc : Lend Lease Group

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