

FINANCIAL REVIEW

SE **Property**
HD **DEXUS near close on Hyde Park office asset**
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DEXUS **Property Group** is nearing the **sale** of two major office buildings in Sydney and Melbourne, both of which the **company** flagged as being in due diligence at its end of year results in August.

The **property** arm of **Chinese** giant Dalian Wanda **Group**, which is led by that country's richest man, Wang Jianlin, is in due diligence for the prized 201 Elizabeth Street building in Sydney for about \$400 million.

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It is understood the office building, which sits on Hyde **Park**, could be converted into a **residential** or **hotel** asset in the future. However, Wanda might look to reserve the building's office component as well. At the same time, however, the City of Sydney is trying to protect some areas of the city from going **residential**.

The Elizabeth Street tower is owned by DEXUS **Property Group** and Perron **Group**, which declined to comment when contacted. Wanda could not be reached for comment.

Meanwhile in Melbourne, super fund MTAA is finalising a deal to **buy** 40 Market Street in Melbourne's central business district. DEXUS, which bought the **property** about two years ago, signed on Powercor Australia as a tenant on a long-term lease. It is understood MTAA is buying the asset for about \$80 million.

Many big office assets are changing hands, as landlords take advantage of strong selling conditions.

Also on Sydney's Hyde **Park**, BRW Rich Lister Hui Wing Mau's **company** has commenced due diligence on 175 Liverpool Street. The office building is being offloaded by Singapore's GIC Real **Estate** and industry sources have said pricing is close to \$400 million.

Institutional investors are also chasing the Future Fund and Stockland's Waterfront Place tower in Brisbane, with prices tipped to exceed \$600 million while the capitalisation rate could end up below 6 per cent.

The state government has also received a flood of bids for the Justice Precinct in Sydney's Parramatta. The campaign closed on Thursday and the office asset is expected to go for more than \$150 million.

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