

FINANCIAL REVIEW

SE Property

HD **Chinese** developer pays \$40m for **site**

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LP An ageing **residential** block on the Pacific Highway in St Leonards has **sold** to a **Chinese** family-run developer, for a price believed to be higher than **\$40 million**.

The **site** at **617-621 Pacific Highway** owned by **Legacy Property** occupied a land area of 1060 square metres with three street frontages, and carried two mixed-use DA comprising 11,912 square metres over 17 storeys.

TD The **site**, **sold** on a vacant possession, is located within 100 metres of St Leonards Railway Station and just **six kilometres from Sydney's CBD**.

Sources close to the deal said the **property sold** for around \$40 million, but **CBRE agents Matthew Ramsay and Ben Wicks** could not be drawn to comment.

Other sources in the area report that **residential** developers are buying ageing **commercial** sites in the area, and pricing potential units at as much as \$300,000 each.

The **Chinese private developer** who bought the **property** is said to be run by a father and son, who plan to build an **apartment project**.

The **sale** comes as more **residential** developers flock to **commercial** hub that is within 10 minutes' drive of Sydney's central business district. Listed **group** Mirvac had been running the ruler over a 3.7-hectare industrial asset in St Leonards with **residential** redevelopment potential, valued at \$150 million.

The **site** at 39 Herbert Street is part of a slab of properties owned by Altis **Property** Partners up for **sale**. Mirvac is understood to be eyeing off several industrial properties in the portfolio, which carries a total price tag of higher than \$300 million, in addition to the Herbert Street asset.

Many **commercial** landlords in the area are said to be open to the idea of selling, given the backdrop of softening rents in the area.

Rents in St Leonards have suffered as a wave of redevelopment and office upgrades has swept North Sydney, and satellite business hubs including Macquarie **Park** and Norwest Business **Park** have attracted tenants with new, attractively priced **commercial** space.

In February, Singaporean investment **group** Suntec paid more than \$400 million for a **commercial site** under development, which will soon become Leighton's new headquarters.

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