

FINANCIAL REVIEW

SE **Property**
HD **Meriton's boom year**
BY Mercedes Ruehl
WC 471 words
PD 14 August 2014
SN The Australian Financial Review
SC AFNR
ED First
PG 35
LA English
CY Copyright 2014. Fairfax Media Management Pty Limited.
LP

Harry Triguboff 's Meriton **Group** has pulled off its biggest and most ambitious **purchase** to date, snapping up a **site** in Sydney that will be home to an \$800 million-plus **apartment** project.

Meriton now has the most apartments in its pipeline in history, with more than 14,000 units. It is a clear vote of confidence in Australia and more specifically Sydney's, housing market.

TD

DEXUS **Property Group** sold the **site** to Meriton for \$190 million, the most Mr Triguboff's **company** has ever spent. More than 1000 apartments will be built at the 4.9-hectare **site**.

The business **park**, at 5-13 Rosebery Avenue and 25-55 Rothschild Avenue in the suburb of Rosebery, was one of the assets DEXUS flagged as having **residential** conversion potential at the beginning of the year. It had a book value of about \$100 million.

Meriton Acquisitions Manager Angelo Mantsis called the Rosebery asset an "interesting **site**".

"We've built next to it so we have experience in the area. We believe that what we paid is the true value. To **buy** land is not difficult – to build is more difficult. We plan to settle in a year and start building Stage 1 then."

JLL's Michael Fenton , Sam Brewer and Blair Peterken brokered the off-market deal on behalf of DEXUS.

The **site** is zoned **residential** with a GFA of 90,000 square metres.

Demand for **residential** housing has continued to grow over 2014 and off-the-plan sales of apartments have been selling out in hours. Many offshore groups have been paying large amounts of money to secure **residential** sites and take advantage of the conditions.

Mr Triguboff is one Sydney developer who can compete with the eye-watering prices offshore developers have paid for inner-Sydney sites. Groups such as Far East Consortium and Greenland have elbowed out other groups with their capacity to pay for sites.

This year alone Meriton has spent hundreds of millions of dollars buying up future projects.

The investments, which have mainly been in Sydney's suburbs, have been matched by strong off the plan sales from its existing portfolio. The Macquarie Residences in Sydney's North Ryde, for example, **sold** all 213 apartments prior to its launch in June.

In May, Meriton spent about \$40 million on another **site** in Sydney's Mascot. This followed hot on the heels of the **purchase** of 234 Sussex Street in the Sydney CBD for about \$60 million.

Just this week Meriton was also understood to be the underbidder on Melrose **Park** in Sydney's Parramatta, which **sold** to a **Chinese** buyer for \$120 million. Mr Triguboff has called for Australian rules for offshore developers to be liberalised to allow more capital to flow into the country.

With Rebecca Thistleton

CO dbrrrt : Dexus Property Group

IN ireest : Real Estate | icre : Real Estate/Construction | i81502 : Trusts/Funds/Financial Vehicles | i8150206 : Closed-end Funds/Investment Trusts | i815020602 : Real Estate Investment Trusts | ifinal : Financial Services | iinv : Investing/Securities

NS ccat : Corporate/Industrial News

RE austr : Australia | sydney : Sydney | apacz : Asia Pacific | ausnz : Australia/Oceania | nswals : New South Wales

PUB Fairfax Media Management Pty Limited

AN Document AFNR000020140813ea8e00065