

SE MarketWatch
 HD **GDI fund to handle UGL buys**
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FUNDS: Recently listed **property** fund manager GDI **Property Group** is launching a new fund that will hold a portfolio of industrial properties it bought from UGL while at the same time flagging the redevelopment potential of its largest office asset in Sydney.

The **group** announced yesterday it would acquire seven properties from UGL for \$66.5 million. The six warehouses and one office building in NSW, Queensland and Western Australia are all leased to UGL in a deal brokered by DTZ's Greg Marr.

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GDI is looking to raise \$43.5m from unlisted **property** investors before moving ahead with the fund.

The **company**'s decision to forge ahead with its new unlisted fund comes as an approach to acquire its office tower in central Sydney at 233 Castlereagh Street by **Chinese** player Visionary Investment **Group** concluded without a **sale** and the **company** has now flagged a new course.

The **group** warned its earnings forecasts could be affected as it rejigged the tenancies in the building to ready it for a **sale** to a **residential** developer.

"The anticipated impact of the likely revised asset management strategies is a possible reduction in the funds from operations relating to the Sydney **property**, compared to the offer document forecasts," the **company** said.

"At this stage these amounts are unquantifiable, but GDI **Property Group** believes that the potential value uplift from any **residential** conversion of the Sydney **property** would more than compensate for a possible reduction in FFO relating to the Sydney **property**." GDI listed in December at below its \$1 per share offer price and closed down 0.5c to 93.5c.

CO gdpgpl : GDI Property Group Ltd. | uncont : UGL Ltd.

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