

FINANCIAL REVIEW

SE Property
HD **Gu sells apartment project to Xu for almost \$40m**
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After much fanfare about building Box Hill's tallest residential building, the Sovereign Square, billionaire Melbourne developer, AXF Group's Richard Gu has dumped the project, for just under \$40 million.

The Shanghai-born developer sold the property at 545 Station Street to another Chinese-origin, Melbourne developer, Golden Age Group's Jeff Xu.

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Sources said Mr Gu bought the site for \$24 million a few years ago.

He began the 2417-sqm project in 2014 to include a 34-level, mixed-use tower with 419 apartments and 4939 sq m of commercial and retail space. Resident amenities include a pool, gymnasium and open garden terrace areas.

The unusual project will embody an "east meets west" theme and will be designed with an Asian-style podium that has a smaller lobby than typical in most Australian high-rise buildings. Its interior themes are taken from the so-called celestial guardians, five creatures guarding points of the Chinese compass.

The project was initially met with resistance from local residents and Whitehorse Council had clashed over the amount of car parking in the development. Currently, 70 per cent of the apartments have carparks and all have a storage space.

The property, which fronts Carrington and Boxhill streets, will offer apartments priced from \$348,000 to \$1.5 million.

Both businessmen could not be contacted.

Those close to Mr Gu said the sale of the project could be part of the developer's plan to diversify his businesses into non-property areas such as mining services and entertainment.

Mr Gu has been more active selling sites than buying them recently. He sold the Kinnears Rope Factory in Footscray for \$60 million and Fairfax House on Pitt Street, Sydney, joining the Gold's Fields House, to Chinese property giant, Dalian Wanda for \$73 million.

Both Mr Xu and Mr Gu have a lot in common aside from property exchanges. They started out on smaller projects in Melbourne and now hold a strong portfolio.

Mr Xu's first project was a student apartment block in Melbourne's eastern suburbs and Mr Gu's maiden development was a medium-density complex in Heidelberg.

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