

THE AUSTRALIAN

SE Business

HD Dexus cashes in on units boom

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WC 474 words

PD 30 September 2015

SN The Australian

SC AUSTLN

ED Australian

PG 26

LA English

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LP Listed office giant Dexus Property Group has **sold** a suburban Sydney office building earmarked for apartments for \$95 million, reaping a 44 per cent premium to its book value as the **residential** building boom rolls on.

Acquisitive family development **company** Holdmark **Property Group purchased** the inner-western building, at 36 George Street in Burwood.

TD Dexus **Property Group** chief executive Darren Steinberg has led a strategy that has seen it capitalise on local and offshore demand for **apartment** sites as it moves to unlock \$1 billion worth of capital through the **sale** of ageing **commercial** properties.

Dexus, with a market value of \$6.9bn, is also in negotiations to sell an office building with **apartment** conversion potential at Sydney's 201 Elizabeth Street to **Chinese** developer Fosun International for more than \$430m.

It is also rezoning a car **park** on Melbourne's Flinders Street so it can accommodate a **residential** tower.

The Burwood **property**, which has a short-term lease to the NSW government, was **sold** with zoning for a mixed-use project.

Holdmark and the agents on the deal, Savills' Simon Fenn, Stuart Cox, Ben Azar and Neil Cooke, declined to comment last night.

Dexus would use the **sale** proceeds to pay off debt, Mr Steinberg said yesterday. He added that the **group** **sold** \$930m worth of **property** in the year to June. "This **transaction** is consistent with our strategy of divesting non-core **assets**," Mr Steinberg said.

"While there is future development opportunity at the **site**, we have made the decision to capitalise on strong current investor demand and Dexus's share of the gain on **sale** will flow through to our net tangible **assets**." Last year Dexus **sold** a **property** in Sydney's Rosebery to Harry Triguboff's Meriton **Group** for more than \$190m.

The **purchase** is a boost for the Macquarie **Park**-based Holdmark, led by its founder Sarkis Nassif, with the **group** gathering pace over the past two years as a developer in the Sydney market.

Holdmark has been especially busy in Burwood, the suburb of its first ever project.

The **group** last year paid \$80m for the Burwood Plaza shopping centre in Sydney's inner west, with plans for a mixed-use development with about 340 apartments and 16,000sq m of extra retail space.

It also last year bought a Burwood office building with development potential from Tony Pitt's 360 Capital Group for about \$80m.

Mr Nassif founded Holdmark 27 years ago when he emigrated from his native Lebanon.

His father was in the construction industry in Lebanon and financially supported Mr Nassif in his early local ventures. Dexs shares closed down 4.08 per cent yesterday at \$7.06, on a day when the broader market suffered big falls to close down 3.6 per cent.

CO dbrrrt : Dexus Property Group | fosuni : Fosun International Limited

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