

FINANCIAL REVIEW

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HD **Gu pays \$18.5m for prime Sydney site**
BY Larry Schlesinger
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Chinese billionaire Richard Gu's AXF **Group** has paid \$18.5 **million** to secure a prime development **site** overlooking Sydney's Hyde **Park**.

The developer, which has a large portfolio of **residential** projects under way in Sydney and Melbourne, acquired the existing six-storey office building at 241 Castlereagh Street on a 500-square-metre **site** from Sydney lawyer John Landerer. Mr Landerer, the managing director of **commercial** law **firm** Landerer & Co., paid \$6 **million** for the office building 10 years ago.

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He told The Australian Financial Review he had received a number of off-market, unsolicited offers for the building. The **site**, which overlooks the southern side of Hyde **Park**, is likely to form part of a future **apartment** project.

"[Apart from AXF], I also received offers from the owner of an adjoining **site** and from someone else who wanted it as part of a bigger development **site**," Mr Landerer said.

The multiple off-market offers for the office tower demonstrate the level of appetite for **residential** development sites in and around the Sydney central business district.

Lend Lease has **sold** more than \$800 **million** worth of apartments off-the-plan for **residential** towers at Barangaroo and Darling Harbour at rates as high as \$40,000 per square metre. **Chinese** developer Greenland has notched up \$415 **million** worth of **apartment** sales for its mixed-use, high-rise project on the former Sydney Water **Boardsite** in the CBD.

In February, Shanghai-based AXF **Group** and joint-venture partner, Ever Bright **Group** acquired Fairfax House for \$55 **million** as part of a bigger development play at Circular Quay. AXF is negotiating to **buy** the next door Rugby Club building on Pitt Street and is also interested in the adjacent **Gold** Fields House on Alfred Street.

AXF owns a prime development **site** on Russell Street in **Chinatown** with a development application submitted last year for a 68-level **residential** and **hotel** tower.

In Melbourne, AXF has a 70 per cent **stake** in the \$3 **billion** Eynesbury **residential** development project in the city's western fringe.

Earlier this year, AXF won approval alongside joint-venture partner Barton Building **Group**, to build a 34-level **residential** tower in Box Hill, which will be Melbourne's tallest suburban skyscraper.

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