

SE The Week in Asian Real Estate; Exclusive  
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LP Hong Kong's record office building transaction

In an effort to boost its international profile, Chinese developer Evergrande Real Estate Group Ltd. agreed to buy the Mass Mutual Tower in Hong Kong's Wanchai for HK\$12.50 billion from [Chinese Estates Holdings Ltd.](#), the most ever paid for an office building in the city.

TD The 26-floor Grade A office building is fully occupied and has 32,090.9 square meters of office and commercial space.

Chinese Estates saw the property's price climb more than 20x the sum it paid over 10 years ago, according to Bloomberg News. The previous most-expensive office transaction in Hong Kong was the HK\$5.4 billion paid by Citigroup Inc. for Wheelock Properties' Kowloon Bay project in 2014.

#### Beyond the Great Wall of China

\* On the same day after Evergrande's deal was announced, China Life Insurance (Group) agreed to buy an office building with a two-story retail block at One HarbourGate in Hung Hom from [Wheelock and Co. Ltd.](#) for HK\$5.85 billion, making it the second-most expensive building purchase in Hong Kong and the largest single office-tower transaction in Kowloon district, according to the South China Morning Post.

The assets include the 15-story West Office Tower, totaling about 357,000 square feet of gross area, and the 36,000-square-foot West Retail Villa. China Life intends to use the property as the headquarters of its unit, China Life Insurance (Overseas) Co. Ltd.

\* Besides Hong Kong, Chinese companies are also looking for opportunities in Australia. [Dalian Wanda Group Co. Ltd.](#), the parent of [Dalian Wanda Commercial Properties Co. Ltd.](#), has entered into negotiations with the Queensland government for the acquisition of a land parcel for a theme park development at Coomera on the Gold Coast, following the Chinese company's newly opened US\$2.5 billion Xishuangbanna resort in China's Yunnan province, The Australian reported, citing [Dalian Wanda General Manager Xie Hong](#).

\* China Investment Corp. and Chinese-backed property developer JQZ are believed to be buying [Goodman Group's](#) development sites near the Sydney Olympic Park in western Sydney, The Australian Financial Review reported.

CIC is reported to be in due diligence for the estimated A\$660 million acquisition of a development site in Goodman's Carter Street industrial precinct, while JQZ is tipped to be nearing the completion of acquiring a site in the same area for over A\$200 million.

#### Institutional investors in real estate

\* After [Qatar Investment Authority](#) teamed up with [CapitaLand Ltd.](#)'s The Ascott Ltd. for the US\$600 million serviced residence global fund, the new vehicle has acquired two properties in Tokyo and Paris for US\$104 million. These include an office building, which is slated to be converted to a 70-unit Citadines Suites Champs-Élysées Paris that will open in 2018, and a serviced residence that has been operating as Somerset Shinagawa Tokyo.

The fund will invest another US\$33 million for the conversion and asset enhancement on the properties, bringing the total investment to US\$137 million.

\* Norway's [Norges Bank Investment Management](#) believes that investing an additional \$86 billion in real estate, particularly in Asia, could be a good strategy for the sovereign fund as property offers a viable option to "improve the risk-return profile of a mixed-asset portfolio," Bloomberg News reported, citing a research note from the Norwegian wealth fund.

\* State-owned conglomerate Japan Post Group, which has land holdings worth approximately ¥1.5 trillion, will invest ¥70 billion in real estate development through the fiscal year ending March 2018, Tokyo's Nikkei reported.

#### M&A news

\* Spanish-controlled CIMIC Group Ltd., formerly [Leighton Holdings Ltd.](#), on Nov. 12 launched a takeover bid for Brisbane-based developer Devine Ltd. to buy its remaining shares it doesn't already own at 75 Australian cents apiece, a 24% premium to its share price close the last trading day.

\* Aspen Group issued a security holder letter related to the proposed merger with Aspen Parks Property Fund, saying Aspen Parks' board committee unanimously recommend their security holders to approve the plan, and reject Discovery Parks Holdings Pty. Ltd.'s rival bid.

\* Philippine billionaire Manuel Villar appears to be on course of merging his Vista Land & Lifescapes Inc., the country's biggest local homebuilder, and his shopping center unit Starmall Inc., as Vista Land plans to acquire Fine Properties Inc.'s 88.25% stake in Starmall for 33 billion Philippine pesos, or 4.51 pesos per share, The Manila Times reported, citing official documents.

#### The REIT watch

\* After luring [Lippo Group](#), Indonesia's incentives of ending double taxation on REITs has [Summarecon Agung Tbk](#) considering a potential REIT spinoff for its unit in the country to take advantage of new tax breaks.

\* Bangkok-based Land and Houses PCL is mulling over a hospitality REIT launch in December on the Thai bourse. The LH Hotel Leasehold Real Estate Investment Trust will invest up to 4.01 billion Thai baht in Grande Centre Point Hotel Terminal 21, a leasehold project owned by the company's unit L&H Property Co. Ltd. Opened in February 2012, the 28-story hotel has an annual average occupancy rate above 85% during the period from 2012 to 2014.

#### Eye on earnings, sales

\* [WHA Corp.](#) PCL said its net profit during the third quarter of 2015 amounted to approximately 96.6 million baht.

\* Link Real Estate Investment Trust said its distributable income rose 14.5% year over year to around HK\$2.21 billion for the six months to Sept. 30, compared to around HK\$1.93 billion a year ago.

\* [Sumitomo Realty & Development Co. Ltd.](#) said its fiscal first-half attributable profit increased 24.4% year over year to ¥47.16 billion.

\* [Dalian Wanda Commercial Properties Co. Ltd.](#) posted around 109.8 billion Chinese yuan of contracted sales between January and October, up 2.0% year over year.

\* [Country Garden Holdings Co. Ltd.](#) recorded 89.89 billion yuan of contracted sales between January and October.

\* [Evergrande Real Estate Group](#) upped its annual contracted sales target for 2015 by 20.0% to 180 billion yuan from 150 billion yuan, following its accomplishment of sales goals ahead of schedule as at the end of October.

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The Property Ledger: Asia-Pacific edition, through Nov. 13: SNL recaps recent Asia-Pacific property deals.

IPO Monitor for the week ending Nov. 11: A retirement housing specialist sets its sights on a £336 million IPO in London, while two Asian conglomerates provide updates on their IPOs outside the real estate market.

Hires and Fires: European, Asian real estate moves through Nov. 10: SNL Financial presents a weekly rundown of recent significant management and board changes and personnel moves in the European and Asia-Pacific real estate industries.

CO chests : Chinese Estates Holdings Ltd | worlin : Wheelock and Company Limited

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