

# FINANCIAL REVIEW

SE **Property**  
HD **Hawaiian eyes \$100m deal on Sydney asset**  
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Hawaiian chief executive Russell Gibbs has a tried and true modus operandi – take a vacant or under-performing **commercial** asset, refurbish, re-lease then, often, recycle it.

The strategy has worked well for the Perth-based **company** so far and is about to be tested again with the **sale** of its only east coast asset, 50 Pitt Street in the Sydney CBD. The office building is expected to fetch around \$100 **million**.

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"We think it is the right time and the right market," Mr Gibbs said. "We are a private **company** and we recycle our capital. We will tend to hold retail and trade **commercial** from time to time."

Hawaiian, which is controlled by Malaysian interests connected with Chiu Chi Wen, acquired the asset back in 2006 for \$50 **million** in a swap deal with Stockland **Group**.

When Hawaiian took control of the Pitt Street building, it was near empty after being vacated by Westpac. It was also in dire need of a refurbishment.

Hawaiian gutted the tower and decided to target multiple tenants rather than one big occupier. The **group** built generic fit-outs, following a major redevelopment in 2007 and 2008 with the aim of luring tenants in quickly. Show suites were also put on display.

Mr Gibbs said Hawaiian tried a lot of innovative strategies, including short-term leases. The secondary building, which comprises 9897 square metres, has now been upgraded substantially and has a 4.5 star NABERS **Energy** rating.

The marketing campaign is being handled by James Aroney of JLL and Josh Cullen of CBRE. Mr Gibbs said there is now an opportunity for another owner to add value.

The building is 98.3 per cent leased and several tenants, including Tribal **Group**, IFM Investors and **China** Telecom, are moving into the second-term fit-outs.

Other companies in the building are also expanding such as SCA **Property Group**, Stirling Anderson and FTI Consulting, according to Mr Cullen.

Mr Aroney said the Pitt Street **property**'s appeal extends to its location.

It is in a corner location close to Circular Quay and Wynyard station in the CBD's financial sector.

Hawaiian is a household name in WA, where it owns and manages successful neighbourhood shopping centres.

CO stotru : Stockland | stocor : Stockland Corporation Ltd

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