

FINANCIAL REVIEW

SE **Property**
HD **Cromwell follows trend for residential conversion**

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Cromwell **Property Group** will convert two major government office towers in Brisbane to **residential**, following a trend that has caught on in Sydney.

Cromwell **purchased** Health House and Forestry House in May last year for \$65 million. The properties have a net lettable area of 26,650 square metres and a land area of about 3500 square metres.

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"We will look to have an alternative use; I don't think it will stack up as offices," Cromwell chief executive Paul Weightman said.

With as much as 100,000 square metres of space being laid empty by the state government and a record high office vacancy rate, other city landlords are investigating similar conversions. Investa is looking at converting its former Boeing House in Adelaide Street to **residential**.

Frasers Hospitality **purchased** an 18-storey office tower in Brisbane last year for \$37 million and is converting it into a **hotel**, while Singapore-based SilverNeedle is also converting Lennons Plaza into a **hotel**.

The trend follows movement in Sydney where there has been numerous conversion plans. **Chinese group** Maville proposes to convert a Kent Street **commercial** building into a 24-storey **residential** tower, while Cbus is converting an office tower at 130 Elizabeth Street into a **residential** complex with 150 apartments.

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CO wriv : Cromwell Property Group

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