

FINANCIAL REVIEW

SE Professional Services
HD **KPMG adds technical services**
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Professional services giant KPMG has acquired SGA **Property** Consultancy in an effort to provide end-to-end services in **property transactions** as demand grows from Asian and other offshore investors.

Under the deal that completes on Friday, SGA's 65 staff – predominantly chartered building surveyors, building certifiers, engineers and environmental scientists – will become part of the consultancy and the business will be known as KPMG SGA. Terms of the deal were not disclosed.

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The deal follows other acquisitions KPMG has made to broaden its service offering.

Property-related revenue currently accounts for about \$60 million of the **firm**'s total \$1.12 billion last year and the consulting **firm** wants that to grow significantly in coming years, chief executive Gary Wingrove said.

The market is expanding on the back of growing demand from overseas investors – particularly from **China** – as well as from pension and sovereign wealth funds, multi-national corporates and private equity, Mr Wingrove said. "We do see a lot of opportunity in the real **estate** and **property** markets," he told The Australian Financial Review.

"What we would traditionally have done is if a client appoints us to do the financial aspects of a due diligence piece of work, the client would separately contract a **firm** such as SGA to provide the technical advice.

"Now we can provide a total end-to-end service to clients." SGA, founded by Stephen Allan in 2003, offers the widest one-stop shop of technical **property** consulting services in Australia, and was well placed to serve the needs of the growing market, SGA managing partner David Myers said. B-grade office conversions

"What I can see is a significant upturn in **transaction**-based work and a lot of that is coming from inbound funds from Asia, as well as Europe."

Part of the surge in demand has come from investors wanting to **buy** B-grade office stock that they could convert into **residential property**, Mr Myers said.

"We saw that probably about 12 months ago and we've been pretty strong with that work ever since," he said.

SGA, which occupies seven offices – in Brisbane, Sydney, Melbourne, Perth, Canberra, Auckland and Singapore – will be relocating to KPMG offices. Physical integration was important to ensure integration of the businesses, Mr Wingrove said.

KPMG's SGA acquisition follows the announcement last week of a five-year deal with venture capitalist **firm** Artesian Venture Partners to funnel up to \$50 million worth of corporate investment into the start-up sector.

In July, KPMG said it acquired boutique mining services consultancy Momentum Partners and in February, it said it bought social media risk management consultancy SR7.

Key points The SGA merger is aimed at ensuring KPMG has an end-to-end service. Inbound funds from Asia provide significant **transaction**-based work.

CO ptmwm : KPMG International

IN i836 : Accounting | iacc : Accounting/Consulting | ibcs : Business/Consumer Services

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