

FINANCIAL REVIEW

SE **Property**
HD **Developer nabs quick \$17.25m profit**
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Cornerstone Properties is set to make a quickfire \$17.25 million profit from the **sale** of a Brisbane development **site** to tycoon Koh Wee Seng's Singapore-listed Aspal Corporation.

Aspal will **buy** the central business district **site** at 30 Albert Street for about \$36 million.

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The \$36 million price tag is nearly twice what Cornerstone paid late last year when it bought the **site** from listed developer Devine .

The **transaction** shows the incredible appetite from Asian backed investors for Australian real **estate** and how the boom has finally hit Brisbane after the price explosion in Sydney and Melbourne.

Aspal is buying the 2077-square- metre **site** with no change to the development application that was in place when Cornerstone bought it last year.

The **site** had a **commercial** DA, but was pitched as a **residential site** proposing 279 units over 33 levels.

JLL's Seb Turnbull is believed to have transacted the deal but was unavailable.

The move by Aspal follows a report in The Australian Financial Review on Tuesday that another local developer, Metro **Property** Development, was expected to take a \$24 million profit in just over six months by selling a **site** to **Chinese** real **estate** giant R&F Properties.

The **Hong Kong**-listed, Guangzhou-based R&F is in due diligence to pay \$46 million, more than twice the \$22 million Metro paid for the former TAFE college in south Brisbane in December.

The Aspal and R&F Properties deals paint a clear picture of the future demand for **residential** sites in Brisbane after bull runs in Sydney and Melbourne.

The volume of **apartment** development sites **purchases** in inner Brisbane had already surged in the first quarter of this year as developers moved north from Sydney and Melbourne. Values for such **residential** sites had increased by up to 66 per cent. These new deals to Asian backed buyers will lift values further.

Aspal, also thought to be buying another **site** at 240 Margaret Street in Brisbane for about \$25 million, would not comment on the Albert Street deal

Aspal is famed as the developer of Melbourne's Australia 108 project.

That development in Southbank would be the first 100-storey unit building in the southern hemisphere.

Koh Wee Seng and his older brother, **property** tycoon and hotelier Koh Wee Meng, have emerged only this year as powerful players in Australia's **residential** development space.

Koh Weng Meng's Fragrance **Group** snapped up two Melbourne CBD sites in the past month and one on Perth.

Cornerstone Properties, which is owned and run by the relations of construction and **property** developer Sir John Pidgeon, also declined to comment on the sensitive **transaction**.

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