

SE Features
 HD **Suntec keen to expand portfolio**
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A \$7.6 billion Singaporean **property** trust, Suntec REIT, is looking to invest in prime office buildings in Sydney and Melbourne as the weight of Asian capital continues to push into Australian office markets.

Suntec chief executive Yeo See Kiat said the trust, which is managed by the behemoth ARA Asset Management, would add to its first Australian investment. In November, Suntec REIT bought Leighton Holdings' new headquarters, under construction in North Sydney, for \$413.19 million.

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It would follow the capital that has flowed into Australian office buildings from other Singaporean groups, such as Far East Organisation, City Developments and Rockworth Capital Partners. Mr Yeo said the trust had no specific target for the amount of assets it aimed to manage in Australia, but would look for opportunities that suited its portfolio, which is prime stock with a strong lease covenant.

"Definitely, if there are meaningful opportunities we will be interested," he said. "Our initial investment focus will be on top-tier cities Sydney and Melbourne."

Foreign investors dominated Sydney CBD sales last year, purchasing 54 per cent of the stock **sold**, according to Savills.

Listed companies from Singapore, **China** and **Hong Kong** were especially active in buying sites with the potential for **residential** conversion, said Savills director of **residential site** sales, Stuart Cox.

Mr Yeo would not be drawn on why Asian groups were attracted to Australian office markets. However, he outlined what attracted the **group** to the Leighton-built 177 Pacific Highway.

"All of the key points of my strategy lined up: prime buildings, good partners and long-term lease commitments," he said. Besides, the Leighton lease would be a good source of income, he said.

Mr Yeo any acquisitions the trust made would have secure long-term leases.

CO leiho : Leighton Holdings Ltd | sutrei : Suntec Real Estate Investment Trust | hocht : Hochtief AG | ocisa : ACS Actividades de Construcciones y Servicios SA
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