

SE Business - **Commercial Property**
 HD **HK firm** shines \$25m light on office **property**
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The **property** investment arm of **Hong Kong** conglomerate Glorious Sun has made its first foray into Melbourne's CBD, paying \$25.3 million for a **Chinatown**-fringe office building.

Glorious Sun, which owns the Jeanswest, Quiksilver and Roxy clothing brands, bought the 12-storey building at 231-235 Swanston Street on a tight 3.5 per cent yield.

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CBRE agent Josh Rutman, who negotiated the deal with Mark Wizel and Ed Wright, said Glorious Sun was planning to hold the building as a passive investment.

The move signals a slight shift from the usual interest in development sites shown by Asian investors.

CBRE head of research Stephen McNabb said it was all part of a trend towards greater investment in the Australian market from Asia, and **China** in particular.

"What we are seeing is a change in the mix. Historically, foreign investors have been from Europe and the US but what we have seen in the past 18 months is a significant increase in capital coming out of **China**. It more than doubled last year and it's running at the same pace this year," Mr McNabb said.

CBRE research shows that Australian **property** attracted 12 per cent of Asian capital in 2003 and will be the target of an extra \$US75 billion (\$78.5 billion) in coming years as Asian life insurers, led by **China** and Taiwan, look for assets.

Australia accounted for 5 per cent of global investment in **property** in 2013 with investors drawn by stable economic conditions and higher yields and interest rates than other regions.

Glorious Sun made its first investment in Melbourne in mid-2009 when it bought the Australian Tax Office building in Box Hill from ING Office Fund for \$43.8 million.

Its most recent **purchase** was the most significant **sale** in the retail core since the \$17 million **purchase** of the Bradman building on the corner of the Bourke Street Mall and Swanston Street in 2010 on a 4.78 per cent yield.

"We were blown away by the local market's pricing of the asset which set a very strong benchmark," Mr Rutman said. The vendors, who are engaged in legal action, were selling under instructions from the Supreme Court and were represented by law **firm** Maddocks.

IN ireest : Real Estate | icre : Real Estate/Construction

RE austr : Australia | hkong : Hong Kong | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | china : China | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcosz : Developing Economies | easiaz : Eastern Asia

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