

**SE** The Week in Asian Real **Estate**; Exclusive

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Deal of the week

Shanghai-based Shimao **Property** Holdings Ltd. just won a **Hong Kong** government land tender for the first time, amid growing interest from mainland developers in the city's **property** market as they search for diversification.

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A venture between the **company** and mainland **commercial** developer Mingfa International paid HK\$1.83 billion for a **hotel site** in Tung Chung, **Hong Kong**, outbidding Sino Land Co. Ltd., Sun Hung Kai Properties Ltd., Regal Hotels International Holdings Ltd., Dorsett Hospitality International and Tak Cheung.

The plot has a **site** area of about 12,902 square meters and a maximum gross floor area of 56,715 square meters. It sits close to the **Hong Kong** - Zhuhai - Macau Bridge, which will connect the three major cities in the Pearl River Delta upon its completion in 2016.

Shimao is expected to invest more than 3 billion **Chinese** yuan to provide an estimated 1,100 rooms, according to **Chinese** newspaper Wen Wei Po.

Strategy plays

\* **China**'s biggest **commercial property** developer by sales, Wanda **Commercial** Properties, is planning to increase its current \$30 billion annual turnover to \$100 billion by 2020 through global **property** development. Since its first move overseas into London in 2013, the **company** has moved into Spain, Australia and the U.S.

\* Singapore's largest private **property** developer, Far East Organization, is looking to become one of Australia's biggest developers in the long term by introducing a range of retail, hospitality and **residential** products to the market. The **company** has built a portfolio worth A\$1.4 billion through the acquisition of six office properties in Sydney and Perth in 2014.

\* As competition heats up with a clutch of **Chinese** and Singaporean groups targeting Australia for long-term expansion, local player Charter Hall Retail Real **Estate** Investment Trust will roll back acquisitions for the remainder of 2014 amid compressing yields and focus more on redevelopments.

Rumor mill

\* Lend Lease Corp. Ltd. is tipped to be off-loading its stake in the Barangaroo South project in Sydney, The Sydney Morning Herald reported. The **company** is thought to be nearing a deal to either sell the project or sign a deal with a joint venture partner, subject to shareholder approval at the annual shareholder meeting scheduled for Nov. 14. Interested parties could potentially include superfunds such as ISPT, Cbus and UniSuper, as well as funds from Singapore, **China**, Great Britain and Germany.

\* Following Frasers Centrepoint Ltd.'s takeover of Australand **Property Group**, compatriot City Developments Ltd. is thought to be nearing a deal to **buy** Leighton Properties' **commercial** and **residential** business, which could fetch about A\$500 million, reflecting the value of Leighton's A\$7 billion development pipeline, The Australian reported. City Developments is said to be in advanced stages of due diligence and has established three Australian entities.

## Eye on earnings

\* **China** Overseas Land & Investment Ltd. posted a 12.6% year-over-year increase in turnover, totaling HK\$61.18 billion for the nine months ended Sept. 30. Operating profit amounted to HK\$22.14 billion, an increase of 13.4% from the year-ago period.

\* CapitaMall Trust said its third-quarter distributable income rose 5.6% to S\$93.7 million from S\$88.8 million in the year-ago period.

\* Cambridge Industrial Trust said its third-quarter net **property** income rose 1.8% on a year-over-year basis to S\$19.7 million.

## Other news

Singapore's GIC has snapped up the much-anticipated **sale** of Pacific Century Place Marunouchi in Tokyo, which was billed as the city's biggest office deal in six years.

The sovereign wealth fund is said to have paid \$1.7 billion for the **property**, Bloomberg News reported, citing a person familiar with the **purchase**. Vendor Secured Capital bought the **property** for about ¥144 billion in 2009 and initially asked for ¥180 billion in this **sale**.

GIC is understood to have outbid the asset management unit of Goldman Sachs **Group** Inc.

## Now featured on SNL

The Eastern Front: DLF's capital markets ban a blow to Indian REITs: Watchers of the Indian REIT market might have to wait longer for a heavyweight player, as the country's largest landlord, DLF, is prohibited from accessing the capital markets for three years.

Q&A: Bets placed on Japan gaming; hotels cope with anti-corruption measures in **China**: SNL Financial talked to Jesper Palmqvist, area director for Asia Pacific at **hotel** research and consultancy firm STR Global, about his views on the global gaming giants' jostling for position in Japan and how hoteliers are handling the impact of the corruption crackdown in **China**.

Q&A: CDL Hospitality Trusts eyes Japan: At this year's **Hotel** Investment Conference Asia Pacific in **Hong Kong**, SNL Financial met up with Vincent Yeo Wee Eng, CEO of CDL Hospitality Trusts. Yeo shared his views on the **company's** strategies and the proposed REIT rule changes in Singapore.

Q&A: Jones Lang LaSalle's Scott Hetherington on APAC **hotel** investment: SNL Financial sat down with Scott Hetherington, CEO Asia of Jones Lang LaSalle's Hotels & Hospitality **Group**, to discuss the **transaction** environment and trends in 2014.

Conference Chatter: Asian markets ready for more hospitality REITs: At this year's HICAP in **Hong Kong**, industry players were upbeat about the spread of hospitality REITs in the region.

Data Dispatch: Metro Manila CBDs in the limelight of Philippine real **estate** growth: The central business districts of Makati City and Fort Bonifacio in the Metro Manila area were the epicenters of office and **residential** real **estate** investment in the country in the second quarter.

Asian **property transactions** to Oct. 24: City Developments is poised to nab Leighton Properties' **commercial** and **residential** business; the U.K.'s InterContinental is mulling a **sale** of its **Hong Kong** flagship **hotel**; and Keppel Land divests a stake in a Saudi Arabia project.

IPO Monitor for the week ending Oct. 22: The IPO Monitor tracks international real **estate** companies debuting on the exchanges.

Hires and Fires: European, Asian real **estate** moves through Oct. 20: SNL Financial presents a weekly rundown of recent significant management and **board** changes and personnel moves in the European and Asia-Pacific real **estate** industries.

Research Roundup: European/Asian Real **Estate** edition for the week ending Oct. 23:

Deutsche Wohnen, Accor and Unite **Group** are on the radar for analysts this week.

**CO** rhh : Regal Hotels International Holdings Ltd | shkp : Sun Hung Kai Properties Ltd | shmpoh : Shimao Property Holdings Ltd | sinol : Sino Land Co Ltd | sinor : Tsim Sha Tsui Properties Ltd

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