

THE AUSTRALIAN

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 HD **Aqualand in \$70m acquisition**
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Sites: Chinese-backed developer Aqualand has stepped into the commercial property market with the purchase of a North Sydney office building from fund manager Centennial Property Group for about \$70 million.

The move sees Aqualand, led by Nick Tobin locally, join the ranks of Chinese players pushing beyond development to make their presence felt in the commercial property market.

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Most notably, Poly Australia last month announced its ambitions to acquire prime office assets in Melbourne after buying two buildings in Sydney's CBD, where it plans to develop a major tower.

The sale of the North Sydney tower also sets a fresh benchmark for well-leased B-grade assets across the city.

Centennial, a low-profile group that tends to look for assets that offer value-add opportunities, bought the building, at 132 Arthur Street, from Valad Property Group for about \$37m in late 2014.

The 16-level building, which has 14 levels of office space, a cafe and 57 car parks, was repositioned. The property has a site area of about 1067sq m and a lettable area of about 7878sq m.

The multi-tenanted building has two street frontages — Arthur Street and Little Walker Street — giving tenants access to the North Sydney retail precinct, which has been overhauled.

In the long term, the property possesses a number of future conversion options including a full refurbishment or redevelopment as serviced apartments.

It offers views arcing from the Sydney CBD in the south to Neutral Bay and the lower north shore in the north.

Aqualand earlier this year won approval to convert the office tower at 168 Walker Street in North Sydney into 415 luxury apartments and it may weigh up a longer-term development play at its latest acquisition but a major tenant is in place until 2024. Gordon McFayden of JLL is understood to have brokered the deal but was unavailable to comment on the sale that showed a yield of about 5.5 per cent.

CO valpgp : Valad Property Group | blgrou : The Blackstone Group LP

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