

SE BUSINESS
 HD **Property** firms look abroad to escape curbs
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 WC 761 words
 PD 4 February 2014
 SN MyPaper
 SC MYPAPR
 ED FIRST
 PG A9
 LA English
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 THE BUSINESS TIMES

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FIRMS have ramped up their geographical diversification efforts in recent months in a bid to escape Singapore's prohibitive **property** cooling measures.

In the opening weeks of last month alone, Aspial Corporation unveiled two acquisitions in Australia, Keppel Land agreed to **purchase** land in Indonesia, and CapitaLand picked up yet another plot in **China**.

Australia, Britain and the United States have been firms' favourite hot spots. Several companies, including Hiap Hoe, AIMS AMP Capital Industrial Reit, Aspial, and Suntec Reit, picked Australia for their first overseas acquisitions.

Hiap Hoe, for instance, bought a 40,489 sq ft **site** in Melbourne, which it intends to develop into a 425-unit project, and then went on quickly to snap up a **commercial** building at 380 Lonsdale Street and a retail and office **property** at 206 Bourke Street. The three acquisitions cost the **company** about A\$177.6 million (S\$198.4 million).

Aspial bought a freehold **commercial** building in Melbourne for A\$41.5 million, followed soon by a separate **commercial** building, also in Melbourne, for A\$42.3 million. It intends to redevelop the latter **site** into what will be the tallest building in the city, subject to aviation clearance.

Among real-**estate** investment trusts (Reits), AMP Capital picked up a 49 per cent stake in Optus Centre, a business **park** in Sydney, for A\$184.4 million, while Suntec Reit bought 177-199 Pacific Highway, a freehold land and **property** with a 31-storey Grade A **commercial** tower that is targeted for completion in early 2016. These were the first overseas acquisitions for both Reits.

According to data released by DTZ, close to US\$3.5 billion (S\$4.5 billion) was invested overseas by Singapore-based investors in the first nine months of last year.

Notably, this figure does not take into account GIC's 50 per cent stake in London's Broadgate business district, a retail and **commercial estate** of 17 office buildings.

While the consideration for GIC's **purchase** was not disclosed, reports placed the price tag at around £1.7 billion (S\$3.6 billion) – believed to be a record for a central London **property**.

City Developments Limited (CDL) and Oxley Holdings are among the firms that made forays into the London market in the last 12 months – CDL via a freehold plot near Harrods in Knightsbridge, which it intends to redevelop, and Oxley Holdings via a mixed-development **site** at London's Royal Wharf.

Other firms also entered the fray. Local construction **group** Lum Chang added a London **hotel** near the tourist attractions of Hyde **Park** and Kensington Gardens to its growing list of London properties last year.

Property in the US also received its fair share of interest. SingHaiyi **group** – previously known as SingXpress Land – snapped up two distressed **commercial** projects in the US in the last few months, after Mr Neil Bush, the brother of former US president George W. Bush, was brought on **board** as non-executive chairman of SingHaiyi.

Separately, OUE picked up California's tallest building – the US Bank Tower in Los Angeles – for US\$367.5 million, while earlier this year GIC sealed a deal to **buy** office space in New York's Time Warner Centre with two partners, the Abu Dhabi Investment Authority and US real-**estate firm** Related Companies, for US\$1.3 billion.

While many local firms have been acquiring plots overseas, one of the most active is local developer Oxley Holdings, which now has ventures in Malaysia, Cambodia and **China**.

Following its first move abroad in May last year, in which it bought a **firm** with rights to a mixed-use **site** in Kuala Lumpur, Oxley Holdings has assembled an impressive portfolio of plots through a combination of joint ventures, development right agreements, and acquisitions.

Last month, the **group** said it signed a framework agreement with Sepang Goldcoast and Sepang Bay to develop land. The latter two hold interests in two parcels of 99-year-leasehold land with an aggregate area of about 47.3ha in Sepang.

The joint-venture agreements entitle Oxley Treasure to 85 per cent of the gross development value of the developments on the land.

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ART SHOPPING SPREE: After buying a 40,489 sq ft **site** in Melbourne, Hiap Hoe went on to snap up a **commercial** building at 380 Lonsdale Street and a retail and office **property** at 206 Bourke Street (above). The acquisitions cost the **company** close to \$200 million.

CO dbsl : CapitaLand Limited | leehwa : Aspiat Corporation Limited | sutrei : Suntec Real Estate Investment Trust

IN i815020602 : Real Estate Investment Trusts | i8500021 : Office Real Estate | i81502 : Trusts/Funds/Financial Vehicles | i8150206 : Investment Trusts/Funds | i85 : Real Estate Transactions | icireal : Commercial/Industrial Real Estate | icre : Real Estate/Construction | ifinal : Financial Services | iinv : Investing/Securities | ireest : Real Estate | i491 : Jewelry/Silverware | icnp : Consumer Goods

RE usa : United States | austr : Australia | melb : Melbourne | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania | namz : North America

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AN Document MYPAPR0020140205ea240000h