

FINANCIAL REVIEW

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HD **Triguboff mulls \$3bn offer from China**
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Billionaire Harry Triguboff, born in a White Russian Jewish enclave in **China**, has spent 50 years building Australia's biggest unit **company**, Meriton Apartments.

But now, aged 81, Australia's fourth-richest person is considering selling half of Meriton to **Chinese** interests in a deal that could net him at least \$3 **billion**. It would be the ultimate **sale** of Australian apartments to **Chinese** investors.

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Triguboff told AFR Weekend he received an offer for his business on a trip to **China** two weeks ago from the owner of a property developer that builds 200,000 dwellings there annually.

"I am thinking I could sell part of [Meriton]," Triguboff said.

"It is very early stages, but I could be prepared to sell the development part of the business and then the family could continue to collect the rent on the units I already own. Maybe I could retire soon and they could run the investment business."

He says the **company**, which carries little debt, is now worth about \$6.3 **billion** after his wealth was valued at \$4.95 **billion** on the 2013 BRW Rich List.

Meriton, Triguboff says, will make about \$300 **million** profit from unit sales of about \$1.1 **billion** this year and the **company's** land bank for future developments has "easily" gone up \$200 **million** in value in the past 12 months.

The potential **sale** to the **Chinese** developer, who Triguboff would not name, would comprise of the existing developments that are under way.

The rental business makes about \$200 **million** profit each year, Triguboff said, from the 2000 units he owns in Sydney, Brisbane and the **Gold** Coast. That business would stay in family hands and is worth up to \$3.5 **billion**.

Triguboff has mostly built in Sydney and said house prices there have "stabilised" and that better growth was being experienced in Brisbane, albeit off a relatively low base. Condition on **sale**

Any move to sell would be a marked shift in strategy for Triguboff, who has famously said for decades he had little interest in ever retiring. He said his daughters had never shown real interest in taking over Meriton but that he now has a grandson, Michael, working for him who could potentially head the investment business the family would continue to own.

However, Triguboff cautioned that any **sale** would only take place if the Meriton sales business remains intact.

"I am not selling anything if they are going to start firing people," he said.

"Other people think about shareholders, well, I think about my people. I don't look at it if it is a good or bad deal, I am looking at the evolution of the **company**. He [the potential buyer] wants apartments that are able to be sold. Of course there are many **Chinese** buying in Australia at the moment and what we have is a lot of apartments that already have a lot of approvals. That is why they are interested in me."

Triguboff said Australia would be "silly to be afraid of the **Chinese**" in terms of investment, but warned foreign property developers could lose interest in investing in Australia if project approvals continued to unfold at a slow place.

"They do want to be in Australia because it is safe for them, but they can go anywhere they like if they do not make the money here they want. The planning is still too slow here."

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