

SE PrimeSpace
HD **Property** giants chase historic sandstones
BY KYLAR LOUSSIKIAN, LISA ALLEN, HOTELS
WC 533 words
PD 27 November 2014
SN The Australian
SC AUSTLN
ED Australian
PG 26
LA English
CY © 2014 News Limited. All rights reserved.

LP

EXCLUSIVE REAL **estate** heavyweights Dexu **Property Group** and global asset manager Brookfield are among the suitors bidding for the two historic sandstone buildings being offered by the NSW government in the financial core of Sydney.

The groups have traditionally focused on office towers but competitive pricing has led many groups to consider investing in new areas including health, social infrastructure and even **residential** development.

TD

Other contenders are Singapore-based tourism and real **estate** giant Far East Organization which may introduce its iconic five-star Fullerton brand here and the privately owned global travel **group**, The Travel Corporation, which has long wanted to bring its luxury Red Carnation **hotel** brand to either Sydney or Perth as both **hotel** owner and operator.

Expressions of interest for the redevelopment of the Education and former Lands Department buildings on Bridge Street, both to be converted into hotels, close on December 3 through Macquarie Capital which is advising the NSW government.

The properties, dating back to the 1890s, will be offered in one line on a 99-year lease.

FEO, and its **Hong Kong**-based subsidiary Sino **Group**, own a string of hotels in Asia, including a stake in the local Toga **Group**.

FEO already operates a number of historic building **hotel** conversions, including the prestigious Fullerton **Hotel** in Singapore, as well as the Amoy **hotel**, a heritage temple conversion.

The **company** has previously expressed an interest in bringing a number of its **hotel** brands to Australia, including Quincy and Oasis.

FEO declined to comment, but it is understood the **group** has yet to decide whether to bid for the buildings by itself or as part of the Toga joint venture.

The **company** recently **purchased** two sites to be converted into hotels, one each in Sydney and Brisbane. The office block on the corner of Elizabeth and George Streets in Brisbane could be converted into a **hotel** as early as next year.

FEO, Singapore's largest private developer, has quietly built an Australian portfolio worth \$1.4 billion, acquiring six office properties in Sydney and Perth this year.

Brookfield has about \$200 billion of assets under management including a portfolio of Australian hotels, which it acquired through its acquisition of the \$410m Thakral **hotel** portfolio in 2012 as part of a grand plan to redevelop Sydney's Wynyard railway station. Brookfield has been trying to sell off the five-**hotel** portfolio for the past few years with mixed results.

There has been growing interest by Asian hoteliers in Sydney and Melbourne in the last year. **Hong Kong**-based Ovolo Hotels will open a regional headquarters in Melbourne after acquiring four hotels this year, including BLUE Sydney, at Woolloomooloo. The **group** has plans to rebrand the hotels, two in Sydney and two in Melbourne, under their own brand.

But not all of the world's luxe brands are interested in the heritage-listed sandstone buildings.

Peninsula Hotels chief operating officer Peter Borer in Sydney recently confirmed to The Australian the **company** would not bid for the sandstone buildings. However, Mr Borer reaffirmed the hotelier's interest in Sydney. Dexu declined to comment, and Brookfield could not be reached.

CO dbrrrt : Dexu Property Group | mcqbnk : Macquarie Group Limited | trvcop : The Travel Corporation

IN i6651 : Hotels (except Casino)/Motels | i66 : Hotels/Restaurants | i665 : Lodgings | ilea : Leisure/Arts/Hospitality | itourm : Tourism | i77001 : Travel Agencies | i814 : Banking | i81502 : Trusts/Funds/Financial Vehicles | i8150206 : Investment Trusts/Funds | i815020602 : Real Estate Investment Trusts | i831 : Financial Investments | i83101 : Investment Banking | ibnk : Banking/Credit | icre : Real Estate/Construction | ifinal : Financial Services | iinv : Investing/Securities | ireest : Real Estate

NS c182 : Asset Transactions | gtour : Travel | c18 : Ownership Changes | cactio : Corporate Actions | ccat : Corporate/Industrial News | gcat : Political/General News | glife : Living/Lifestyle | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE austr : Australia | brisbn : Brisbane | melb : Melbourne | nswals : New South Wales | sydney : Sydney | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania | queensl : Queensland

PUB News Ltd.

AN Document AUSTLN0020141126eabr0002o