

SE CommercialProperty
 HD **Sunshine swoops on Sheraton**
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BEIJING-based insurer Sunshine Insurance **Group** has paid a record \$463 million to **buy** Sydney's Sheraton on the **Park hotel** in its first real **estate** acquisition in Australia.

The 557-room **hotel** fronting Hyde **Park** attracted suitors from Singapore, Malaysia, the Middle East and mainland **China**, said selling agent Craig Collins chief executive officer of Jones Lang LaSalle Hotels, Australasia.

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The **sale** is a key marker for **Chinese** investment in Australia as it represents the first large acquisition of a **commercial property** by an insurance **group** after rules for offshore investing were relaxed.

Speaking from Shanghai last night, Mr Collins said there had also been some local interest in the five-star **hotel**, which was **sold** by US **hotel** giant Starwood with a long-term management agreement in place. Starwood has amassed \$US1.5 billion over the past three years from the **sale** of its hotels, including the Sheraton on the **Park**.

"We are pleased to advance our asset-light strategy with the **sale** of the iconic Sheraton on the **Park hotel** and look forward to working closely with SIG to ensure its continued success," said Simon Turner, president of global development for Starwood.

"The terms of this **sale** underscore the strength of the Sheraton brand and the success of this **hotel**, as well as the tremendous value of this **property** in a high-barrier-to-entry market." Starwood Pacific director of acquisitions Andrew Taylor said SIG had committed to a \$40m renovation of the **hotel**.

"This will see the Sheraton on the **Park**'s position as a leading **hotel** in Sydney maintained for the long term future," Mr Taylor said. "This takes the price per key up significantly with the additional renovation costs." Sunshine added that the Sheraton on the **Park** would help diversify the **group**'s holdings by "giving us a trophy asset in Sydney".

It is understood that under the terms of the **sale**, Starwood required the **purchaser** to sign a management agreement of up to 50 years. The **hotel** was developed in the 1990s by Andrew Richardson after he acquired sites between Elizabeth and Castlereagh Streets. Meanwhile, Starwood continues to expand its management agreements, operating 14 hotels here including Four Points by Sheraton Brisbane and Sheraton Melbourne. In the next few years it will open Aloft Perth Rivervale, The Westin Perth and W Brisbane.

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