

SE PrimeSpace
HD **Far East fixes sights on expanding local empire**

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WC 532 words

PD 23 October 2014

SN The Australian

SC AUSTLN

ED Australian

PG 27

LA English

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THE sprawling Singaporean Far East Organization conglomerate will target Australia for a major strategic play, according to one of the **company**'s executives.

Fang Ai Lian, chairwoman of FEO's Australian division, said FEO would aim to be one of Australia's biggest developers in the long-term, leaving open the possibility of bringing a range of retail, hospitality and **residential** products to the market.

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FEO owns 21 shopping centres in Singapore, some 130,000sq m, as well as hotels, serviced apartments and medical centres.

Citing a need for diversification and an alternate engine for growth — Singapore's real **estate** sector has struggled with intensifying competition and tight government regulations — Mrs Fang said the **company** would replicate some of the strategy employed when it entered **Hong Kong**.

The **company** expanded to **Hong Kong** several decades ago and has grown into the city's third largest developer with a string of hotels. "We don't flip (properties); we are there to build sustainable and recurring revenue," she said.

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

But the **group**'s first Australian project will most likely be the development of an 18ha **residential estate** in the northwest of Melbourne, with the **company** submitting plans for 260 homes.

Mrs Fang said FEO had owned the **site** for more than 30 years, but hoped to launch sales for the development by the end of next year. The project, designed by DKO Architects, will be the **company**'s first house-and-land package outside Singapore.

The office **property** portfolio will be kept leased for the foreseeable future, according to Mrs Fang, with the **company** benefiting from recurrent income as it decides which to redevelop.

But she pointed to the Clocktower Square mixed-used precinct in The Rocks, Sydney, as the **site** with the most urgent need for refurbishment, and said the **company** was considering its options.

Mrs Fang didn't rule out more acquisitions, and said the recent depreciation of the Australian dollar had made **purchases** "more attractive". She said the **company**, which had partnered with Frasers Centrepoint and Japanese developer Sekisui House on projects in Singapore, would be interested in similar partnerships in Australia.

FEO has several hospitality assets in Australia, largely due to a half stake in TFE Hotels, which operates about 70 hotels under the Adina, Medina, Vibe, TraveLodge and Rendezvous brands.

FEO has entered into a partnership with diversified investments **company** Straits Trading to acquire further hotels in Australia. Mrs Fang said there were opportunities to import other FEO hospitality brands, including Quincy, Village and Oasia.

The **company** confirmed two of the most recent acquisitions — a heritage building on the corner of Elizabeth and George Streets in Brisbane, and an office tower at 280 George Street in Sydney — were slated for **hotel** conversions in the next 18 months. Several other major Singaporean groups have targeted Australia for long-term expansion, with Frasers Centrepoint acquiring Australand **Property Group** and City Developments, the second largest private developer after FEO, running the ruler over Leighton Properties.

NS gcat : Political/General News

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AN Document AUSTLN0020141022eaaan0006k