

SE Business  
HD **Cash splash as \$150m changes hands in hotel sales**

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### Property

More than \$150 million in cash has changed hands in Melbourne hotels and industrial property sales in the past 24 hours, which experts said was an indication of a busy year ahead.

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In the largest deal, the private Chinese investor Fu Wah International Group has made its first significant foray into local property with the purchase of Melbourne's landmark Park Hyatt hotel.

It was believed the price paid was about \$135 million, but the agents and buyer declined to comment.

The five-star hotel is near Melbourne's Parliament House, at 1 St Andrews Place, and was developed in 1999 by Lustig & Moar at a cost of \$150 million. The sale involves both the 240-room Park Hyatt and a commercial car park next door.

Wayne Bunz, senior director of CBRE Hotels Australia, and Anton Eilers, executive director of CBRE China, brokered the off-market transaction between Singapore's GIC and Fu Wah International Group.

The agents said the transaction continued the wave of recent Chinese investment in Australian property, with much of the recent activity centred on investment and development in Melbourne. Investment in Australian hotels is tipped to breach the \$2 billion level in the next few months as buyers get a foothold before the next growth phase. In Sydney, the planned Crown Hotel in Barangaroo and the recent sale of the Four Seasons Hotel has triggered another round of interest by Australian and overseas investors. Established in 1988, Hong Kong's Fu Wah is engaged in real estate development, hospitality, and art and culture services.

The group's existing property portfolio includes the Regent Beijing hotel, the Park Plaza Wangfujing hotel and the Sandalwood Beijing Marriott Executive Apartment, among others.

In a statement, Fu Wah's president, Chiu Yung, said: "Fu Wah is pleased to make this investment into one of the landmark hotel properties in Melbourne.

"The acquisition adds to our ongoing investment into premier hotel and service apartment properties in China and the wider region."

Mr Bunz said Melbourne was considered a priority destination for foreign capital into Australia.

He said the city recorded the strongest revenue per available room growth of any of the Australian CBD markets in 2013.

In the industrial sector, a Bunnings Warehouse at Torquay has sold to a private investor for \$11.2 million.

Agents said the **sale** price translated to a yield of 6.52 per cent, and this was the strongest result achieved for a Bunnings Warehouse since 2007.

The **transaction** follows the recent **sale** of Bunnings Mentone for \$42.95 million, which represented a yield of 6.75 per cent.

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