

# THE AUSTRALIAN

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HD Southbank **site** in play for \$65m  
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A **Chinese** development syndicate is set to storm into the Melbourne development market, with the **group** eyeing the **purchase** of a Southbank **site** that could sustain a \$500 million-plus **apartment** and **hotel** project.

Southbank **site** in play for \$65m

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The Australian understands Singaporean business heavyweight Michael Kum has agreed to sell the **site** to a **Chinese group** for nearly \$65m.

Mr Kum, who owns **hotel** investment **company** M&L Hospitality **Group**, bought the **site** in 2013 for just \$30m. The 4000sq m parcel, at 38 Freshwater Place, has approval for the construction of a 73 level, 280m-high tower.

The Victorian government has approved plans to build 496 apartments and a 390 **hotel** rooms. The planned project, called Ultimus Tower, is close to Crown Resorts and the **site** that Crown and Schiavello **Group** hope to construct a 90-storey **apartment** and **hotel** tower worth about \$1.5 billion.

The building will be among a host of other tall towers slated for Southbank, which is Australia's highest density suburb.

A six-level office building next to the Freshwater Place **site** is set to be converted into a 66-level **apartment** tower, while on the other side of the **site** is the recently built 72-level Prima Pearl **apartment** tower.

Mr Kum's **site** would have attracted premium offers given that a project of this scale would struggle to gain the approval of planners due to the year-long interim controls that will be in place in Melbourne until August.

After August, State planning minister Richard Wynne will announce a long-term policy for plot-ratios in the city. There is no certainty a project of this scale would be allowed in the future.

The deal was brokered by agency CBRE, which declined to comment.

But the Melbourne **site sale** could be overshadowed by M&L Hospitality's efforts to offload its \$1.5bn-plus Australian and New Zealand hotels arm.

The Kum family placed a string of landmark hotels, including Sydney's Sheraton Four Points and Melbourne's Hilton DoubleTree, on the market in early December.

It is the largest **hotel** portfolio **sale** process in more than a decade and is being handled by Rothschild and UBS. They are marketing the six **hotel** assets in one line with bidding extended to close later this month.

At least five global institutions are chasing the portfolio, which includes Melbourne's Travelodge Docklands, the Hilton Auckland, Christchurch's Chateau on the **Park** and Sydney's Swissotel.

M&L last year confirmed it was running the **hotel** process, but maintained it was not set on a **sale**. It also remains an active developer in Sydney, buying a **hotel** project in Sussex Street near Barangaroo, and undertaking the One Wharf Lane tower adjoining the Sheraton Four Points.

**IN** i5010022 : Residential Building Construction | i501 : Building Construction | iconst : Construction | icro : Real Estate/Construction

**RE** austr : Australia | melb : Melbourne | nswals : New South Wales | nz : New Zealand | sydney : Sydney | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania

**IPD** hotel project

**PUB** News Ltd.

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