

FINANCIAL REVIEW

SE **Property**
HD **HK buyer mulls \$69m Bligh House**
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A **Hong Kong** investor is nearing a **purchase** of Cromwell **Property Group**'s Bligh House in Sydney for about \$69 million.

The off-market negotiation, if it goes ahead, would be a coup for the **property** investment and funds management **group** after it bought the asset from the NSW government a year earlier.

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A deal remains a fair way off but industry sources said the potential buyer, who is in exclusive negotiations, is looking at a **hotel** opportunity for the **site**.

Bligh House at 4-6 Bligh Street in the central business district is a 23-level **commercial** building.

It has a ground-floor retail zone and a basement car **park** for 21 vehicles.

The overall net lettable area of the building is just under 10,000 square metres.

It is 94 per cent leased to Government **Property** NSW.

Cromwell has approaches from both onshore and international parties and many remain interested.

McVay Real **Estate** is handling the **transaction** but declined to comment when contacted.

Cromwell also declined to comment.

The NSW government offloaded a portfolio of office assets – including Bligh House – to Cromwell in 2013 for \$405 million as part of a multibillion-dollar auction of state real **estate** assets.

It comes at a busy time for Cromwell.

The **property group** is in the process of selling two landmark cinema buildings in Victoria and NSW, with a combined value of about \$28 million.

Both properties are securely leased and have received multiple offers.

However, it is understood that price has been a sticking point and no **group** has entered due diligence.

More recently, Cromwell acquired a half stake in New Zealand **property** manager Oyster **Group** for \$NZ5 million (\$4.6 million), with a further \$NZ2.5 million payable over the next two years.

The **group** is also considering converting Lovett Tower in Woden, south Canberra, into an **apartment** building or aged care complex.

The 22-storey tower is the tallest in Canberra.

The current tenant, the Commonwealth's Department of Veterans' Affairs, will move out in 2016 into the Australian Taxation Office premises in Civic as part of a consolidation of office space by the federal government.

CO wriv : Cromwell Property Group

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