

Property

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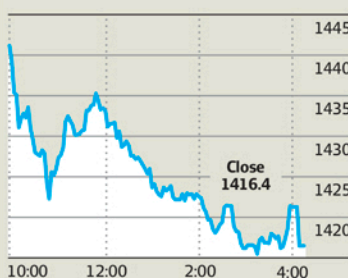
Wollongong office building sells for record \$50m **p32**

Clearstate raises \$50 million to expand **p32**

How it sold: 'Appalling, disgusting, filthy.' North Sydney unit beats expectations. **p32**

Property snapshot

S&P/ASX 200 REITS Monday (pts)



Best	Close (\$)	Change (%)
Viva Energy Reit stapled	2.23	+0.90
Charter Hall Long W	4.25	+0.47
Charter Hall Grp	7.33	-0.27
BWP Tr	3.67	-0.54
Natl Storage REIT	1.765	-0.56
Worst	Close (\$)	Change (%)
Stockland	3.73	-2.86
Mirvac Grp	2.25	-2.60
SCA Prop Grp	2.67	-2.20
Scentre Grp	4.07	-2.16
Abacus Prop Grp	3.30	-2.08

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Stockland sells estate to Frasers in \$200m deal

Exclusive

Larry Schlesinger

Frasers Property Australia is poised to buy Stockland's The Grove Estate in Melbourne's west for more than \$200 million in one of the biggest residential land deals of the year.

The Singaporean developer is understood to be in exclusive due diligence to take control of the \$700 million partially completed residential community in Tarneit with contracts expected to be exchanged before the Christmas break.

Stockland put The Grove Estate quietly up for sale in October as it looked to recycle capital to fund a \$350 million buyback of its securities and reduce its gearing.

Under pressure to improve its balance sheet from bearish analysts, Stockland has also been selling non-core retail assets, divesting two regional malls in Bathurst and Caloundra for \$113.1 million in November.

The 167-hectare The Grove Estate has generated about 1300 lot sales since Stockland launched it in 2014.

The unsold portion of The Grove offers 107 hectares of development land and about 1780 housing lots (of which 411 are already sold) as well as a number of "super lots" for schools, town centres and medium-density housing.

It was offered for purchase to a select group of preferred buyers including Satterley Property Group, Central Equity and a number of Chinese developers through a "by invitation-only tender".

Senior industry sources put the Frasers offer for The Grove Estate

between \$205 million and \$210 million, beating an offer made by an Australian buyer. Satterley Property Group, led by Financial Review Rich Lister Nigel Satterley, is understood to have offered about \$170 million for the prized housing estate.

Stockland and Frasers declined to comment.

Initial price expectations were between \$150 million and \$170 million for The Grove. Stockland – led by managing director Mark Steinert – is understood to be extremely pleased with the selling price achieved amid a slowdown in the Melbourne land market.

Exclusive selling agents Peter Sagar and Paul Callanan, of Cushman & Wakefield, and Frank Nagle and Andrew Egan, of Biggins & Scott Land, declined to comment.

Frasers Property Australia, the former Australand bought by Singapore-listed Frasers Property in 2015, is developing residential estates in Melbourne's growth corridors including Point Cook, Sunbury and Clyde North, as well as in the other capital cities.



Stockland MD Mark Steinert.



Harbour Town Gold Coast has more than \$440m in total moving annual turnover.

Future Fund seals \$180m Harbour Town exit

Matthew Cranston

Australia's \$149 billion Future Fund has sold its 25 per cent stake in the Harbour Town shopping centre on the Gold Coast to a Lendlease-controlled fund for \$180 million.

The deal reflects a yield of less than 5 per cent.

The Future Fund, whose exposure in real estate has increased to 7 per cent, or about \$10.5 billion, from 6.3 per cent a year earlier, was also looking to sell its Lakeside Joondalup regional shopping centre in Perth, but Lendlease did not take up the first right of refusal.

The Lendlease-managed Australian Prime Property Fund Retail acquired an additional 25 per cent stake in the Harbour Town centre, bringing its holding in that asset to 50 per cent.

"Increasing APPF Retail's existing interest in the asset is aligned with the fund's strategy to own and manage high-quality major retail assets in dominant catchment areas," a Lendlease spokesman said.

The 55,225-square-metre Harbour Town Gold Coast has 240 specialty ten-

ancies and more than \$440 million in total moving annual turnover. It is also the No.1 outlet centre in Australia, with the highest moving annual turnover in the country.

JLL's Simon Rooney brokered the transaction.

"Assets that are performing well and have strong retail fundamentals are still achieving significant premiums and very strong pricing," Mr Rooney said.

"There is a limited pool of quality outlet centres in Australia, so the opportunity to acquire a high-performing asset within this defensive sub-sector, like Harbour Town Gold Coast, is limited."

The remaining 50 per cent of the centre is owned by the Lewis Land company.

Lendlease said the centre was well positioned to capitalise on future growth opportunities, benefiting from a growing catchment and strong local and international tourist spending.

The centre will open the new \$28 million "Harbour Town Eats" redevelopment later this week.

AIMS shifts stakes in fund amid unrest

Nick Lenaghan

Fund manager AIMS Group has embarked on a flurry of trades around its investment in an \$80 million listed properties securities fund that disgruntled investors are seeking to wind up.

Further detail on the shifting stakes in the listed AIMS fund emerged on Monday as a motion to wind up the beleaguered fund was defeated at the second consecutive shareholder meeting. On Friday a similar motion fell short as well.

Activist investors Sandon Capital and Samuel Terry Asset Management have been pushing for a wind-up due to the significant discount the listed fund's stock is trading at compared with its net tangible assets.

Led by George Wang, AIMS and its relevant interests now control a 36.72 per cent stake in the listed fund, down from 40.53 per cent. Mr Wang has not responded to requests for comment over the series of trades, including an 11.54 per cent stake sold from one AIMS entity to another.

The biggest trade was the transfer of a 19.9 per cent from AIMS Capital Management to a recently created vehicle called ACME Co No. 2 Pty Ltd.

According to ASX filings, that stake was sold for \$14 million in a non-cash transfer. In a further filing on Monday, AIMS revealed the 19.9 per cent transfer has been classified as a relevant interest of AIMS due to corporate law requirements.

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