

Super funds offload North Sydney tower block for \$60m

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Ben Wilmot

Commercial Property Editor
Sydney

Private Hong Kong company HK Realway has expanded its Australian portfolio with the purchase of a North Sydney office tower from a trifecta of superannuation heavyweights, including the Future Fund, for about \$60 million.

The purchase adds to the group's holdings that include the Cinema Centre car park in the Sydney central business district and a tower at 309 George Street it picked up off Abacus Property Group for \$112.3m earlier this year.

The sale of the tower, by Sydney-based fund manager CorVal, marks the first disposal in a portfolio the group had built up on behalf of three institutions, the Future Fund, Funds SA and the Victorian Funds Management Corporation.

The three back the Value Active Fund, which was established in September 2012 and has the potential to acquire up to \$850m in total assets.

The fund bought the North Sydney tower in December 2012 for about \$39.1m. It spans a net leaseable area of 8,300 square metres and the major tenant is the NSW Business Chamber.

The deal was brokered by Chesterton International's Bevan Kenny and Chris Veitch and Knight Frank's James Parry, Tyler Talbot, Dominic Ong and Neil Brookes. They and the parties were uncontactable.

This time last year, CorVal was buying an office building, 67 Albert Street, Chatswood, on Sydney's north shore for \$81.64m on behalf of the trio.

CorVal, which is run by property executives Ian O'Toole and Rob Rayner, has built up a major portfolio for the fund, with holdings in Sydney's Macquarie Park, Perth and Adelaide. But now it appears to be in sales mode.

Longer-term, HK Realway could capitalise on the North Sydney tower's harbour views by converting it into serviced apartments, which may prove popular as some hotels in the area are being converted into luxury apartments.