

FINANCIAL REVIEW

Thursday 1st September 2011

BOS sells down at Gold Coast

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A private syndicate managed by Trident Corporation and backed by the Bank of Scotland is selling the Bundall Corporate Centre on the Gold Coast, and hopes for up to \$100 million.

The asset, which includes two office towers and four vacant sites, has been aggregated over time at a cost of more than \$140 million. But an economic downturn on the Gold Coast has cut its value and the global financial crisis has convinced banks such as BOS to rein in their exposure to the area.

Trident Corp syndicate manager Justin Goddard said he understood the decision by BOS, which has exposure through equity and debt.

"The decision to sell is consistent with BOS's stated strategy to sell down its non-core property assets," he said.

CB Richard Ellis's Mark Witheriff and Flint Davidson, and McVay Real Estate's Dan McVay and Sam McVay have been appointed exclusive agents for the office complex.

If sold, the office assets, which total 19,000 square metres of net lettable area, would be the largest transaction on the Gold Coast in that sector since the global crisis.

No office asset worth more than \$10 million has sold on the



Bundall Corporate Centre at the Gold Coast is likely to sell for a loss.

Gold Coast since 2008. The office market in the area is one of the worst in the country but is showing signs of having bottomed out. Its vacancy rate has decreased to 22 per cent over the past six months.

Bundall Corporate Centre stands out as a strong investment. Cash flow is provided by tenants including accountants KPMG, insolvency specialists KordaMentha and banks including Suncorp and ANZ Banking Group.

Mr McVay said the cash flow would appeal to counter-cyclical investors.

"[If purchased] at this point in the cycle, the corporate centre will represent outstanding value and the incoming purchaser will have the ability to develop the vacant land as the Gold Coast market fundamentals continue to strengthen," he said.

Mr Witheriff said he was expecting strong interest from Asia-based investors.

"Asian investors understand the Gold Coast market better than institutional investors," he said.

"They have a strong affiliation with the area, especially through tourism and government relations."