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Sunland to cash in Palazzo Versace

**Ben Wilmot and
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The listed Sunland Group has put the Gold Coast Palazzo Versace on the block, with expectations of reaping \$80 million.

The move comes as the group looks to pour capital back into its Australian residential development operations.

Sunland regained full control of the hotel in October when it ended its operational presence in Dubai, trading out of stakes in projects in the emirate.

Sunland received the 49 per cent share in the landmark hotel that it did not already control from its joint-venture partner in the United Arab Emirates, Enshaa.

In return, Sunland gave Enshaa a 51 per cent stake in Palazzo Versace Dubai and its half-share in DI Residential Tower, Dubai.

Dubai interests had purchased the 49 per cent stake in the Gold Coast hotel for \$42.5 million in



Rooms with a view ... the sale of the Gold Coast Palazzo Versace brings Sunland's global foray to an end.

a deal that was finalised in 2005.

The shift to full ownership of the hotel had sparked talk that Sunland might sell it, as the full stake is more desirable to potential buyers.

While the Palazzo Versace name will remain until 2020, an incoming

buyer will manage the hotel.

Sunland managing director Sahba Abedian was not available for comment yesterday. However, Sunland has flagged plans to buy more development sites this year, despite concerns about slowing

sales along the eastern seaboard.

Sunland reported a first-half interim profit of \$185,000 but has said it will deliver a full-year net profit of \$14 million to \$15 million. Analysts said yesterday that the group had plenty of capital.

The offer of the hotel by McVay Real Estate brings Sunland's most ambitious global play to a close.

In 1999, the Australian group forged an agreement with the Italian design house Versace, under which the pair were to jointly develop six Palazzo hotels and condominium complexes worth \$2.7 billion.

Those hopes were put on hold after the 9/11 terrorist attacks in the United States. But Sunland founder Soheil Abedian insisted that the rollout was never cancelled.

By late 2004, Sunland had struck a joint venture with Enshaa division Emirates Investment Group, with a 2015 target for the pair to list a property trust comprising up to six Versace-branded hotels on either the Nasdaq or London stock exchanges.

A push into "gateway" cities, including Paris and Milan, was under consideration. But Sunland's offshore plans were hit by trouble in Dubai at the same time that it achieved success in less glamorous land developments in Australia.