

# Resort's mystery buyer pays \$45m



An aerial shot shows the location of the Paradise Resort. On the right is the design of a 232-apartment tower proposed and approved for the site

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A MELBOURNE buyer has digested another distressed Gold Coast asset, emerging as buyer of the Paradise Resort in a deal said to be worth up to \$45 million.

The family-friendly resort has been sold by a subsidiary of listed developer CPI, which was forced to sell assets after last year's collapse of its parent company City Pacific.

The buyer, who has not been disclosed, was one of 10 official bidders expressing interest in the Paradise Resort which was once earmarked for a four-tower redevelopment by CPI and City Pacific.

The purchaser is understood to have paid between \$40 million and \$45 million for the property, at the lower end of expectations.

The property, which produces a

holding income of about \$3 million a year, covers 2.49ha with the southern end fronting Norfolk Avenue vacant and primed for development.

A development application for a 232-room apartment tower has been granted for the site.

This is close to a proposed twin-tower development announced by Thakral Holdings and a \$700 million high-rise project planned by Koreans near the Gold Coast International, one of the first assets off-loaded by CPI in 2008.

It is unclear whether the new owner of the 357-room Paradise Resort plans to proceed with redevelopment of the property, which consistently enjoys high occupancy rates above 80 per cent.

The Paradise Resort deal is the biggest Gold Coast property sale of the year, and follows the \$62.5 mil-

lion contract signed for the Sheraton Mirage Resort late last year.

Marketing agent Mark Witheriff, of CB Richard Ellis, said the expressions-of-interest campaign drew 80 inquiries from as far afield as Europe and Asia.

He said the campaign introduced to the Coast a 'range of new buyers looking for opportunities'.

'The property was listed for sale in 2008 and, despite significant interest, buyers were unable to gain finance for a development site due to the economic downturn.'

'However, recent transactions such as this indicate the demand for large resort-development sites in Queensland has increased significantly in the past six months.'

Mr Witheriff marketed the property with CBRE colleague Andrew Jackson, and in conjunction with Dan and Sam McVay, of McVay

Real Estate. The CBRE-McVay partnership also was responsible for the Sheraton sale.

CPI, which is operating under a deed of company arrangement with its creditors, paid \$61 million for the Paradise Resort in 2004.

CPI director Steve McKay, who was co-ordinating the sale, could not be contacted yesterday.

The Commonwealth Bank, owed \$112 million, called in receivers to CPI in August last year, immediately after City Pacific's collapse.

The company got a reprieve after creditors voted in September to accept a deed of company arrangement through which CPI's corporate shell could be recapitalised and continue as a going concern.

The key asset remaining in CPI's portfolio is Martha Cove, a \$650 million waterfront development on Victoria's Mornington Peninsula.