

**Submission  
No 10**

**FOLLOW UP OF THE AUDITOR-GENERAL'S  
PERFORMANCE AUDITS APRIL 2011 - SEPTEMBER  
2011**

**Organisation:** Member for Balmain  
**Name:** Mr Jamie Parker MP  
**Date Received:** 27/11/2012



## JAMIE PARKER MP

MEMBER FOR BALMAIN  
Parliament of NSW

112a Glebe Point Rd, Glebe NSW 2037  
T (02) 9660 7586 | F (02) 9660 6112 | [jamieparker.org.au](http://jamieparker.org.au)



Public Accounts Committee  
Mr Jonathan O'Dea  
Chair of the Public Accounts Committee

26 November 2012

Dear Mr O'Dea,

Please consider this letter as my submission following up on the Auditor General's Report on Government Expenditure and Transport Planning in relation to implementing Barangaroo.

See enclosed my speech delivered to NSW Parliament on 25 November 2011, along with documents supporting the assertions contained in the speech.

This letter also outlines the concerns of Australians for Sustainable Development Inc (AfSD), of which I am a member. AfSD is an association comprised of and supported by various community groups, including the City of Sydney, Leichhardt Municipal Council, Barangaroo Action Group, Friends of Barangaroo, various other harbour-side councils and the Local Government Association. The objectives of AfSD include ensuring independent, transparent development processes, superior architecture and town planning and ecologically and financially sustainable outcomes for all major New South Wales developments, including Barangaroo.

The purpose of this letter is to suggest that a performance audit be conducted in relation to the terms agreed between the Barangaroo Delivery Authority (BDA) and Lend Lease for the development of the Barangaroo South site in order to report to the NSW Government in relation to the performance of the BDA and its current negotiations with Lend Lease in regard to changes to the approved Barangaroo concept plan. Reviews of the Barangaroo transaction have only examined the tender process. There has been no scrutiny on whether fair value has been obtained for the people of NSW.

### **Costs updates**

An audit would be an appropriate follow-up to the Auditor-General's Report released on 15 June 2011 in regard to Government expenditure and transport planning for the implementation of the Barangaroo project. That report concluded there were considerable risks present in such implementation and that it was especially important to update the December 2009 financial forecasts. In that Report the Auditor-General recommended:

*"Costs need to be monitored very closely so that the public domain part of Barangaroo remains within the \$1 billion budget and at no cost to Government. Any savings could fund other Government projects like schools and hospitals."*

AfSD has serious concerns regarding the terms under which the NSW Government handed over a 99 years lease of Barangaroo South to Lend Lease and the progress of the implementation of the project thus far in regard to the financial outcomes for NSW.

## **Cost and effectiveness of the pedestrian link and Wynyard upgrade**

AfSD has been advised that the proposed pedestrian link and the Wynyard upgrade is an expensive token solution that will not accommodate even a reasonable fraction of the anticipated commuters to and from Barangaroo.

Our information is that any upgrade to Wynyard would be strictly limited to minor extensions of the lengths of existing platforms, removal of any unnecessary obstructions to the platforms and installing lifts and escalators. We have been advised that the cost would be in the order of \$200 million, which would achieve no more than accommodating less than half the anticipated commuters to and from Barangaroo.

The Tunnel Link was originally designed to link the CBD to the Metro, and was intended to accommodate several times the number of commuters anticipated for Barangaroo, and many times the number that can be accommodated through Wynyard, even after its upgrade. Our information is that the forecasted cost of \$186 million for the Tunnel Link is an underestimate and that the Link may well cost up to \$400 million.

AfSD suggests that an investigation of the cost and practical benefits will reveal that the Tunnel Link and Wynyard upgrade are no more than an expensive and wasted gesture which will not accommodate the needs created by the Barangaroo development.

## **The true cost of transport for Barangaroo**

The State Government is proceeding to approve the commercial buildings at Barangaroo in circumstances where there are no coherent plans to provide adequate public transport to accommodate the anticipated commuter numbers.

Sydney City Council has submitted that anything beyond the original concept plan, providing for 380,000 square metres of gross floor area (GFA), cannot be serviced by existing or planned public transport.

We have been advised that the only practical solution is a heavy rail service to Barangaroo, which is likely to cost well in excess of \$3 billion, depending on how and where it is to be linked to existing lines.

AfSD is advised that by limiting the GFA of the development at Barangaroo or changing the mix to provide for more residential and providing for future office needs elsewhere in the CBD, the future transport needs of the CBD could be catered for by more cost effective upgrades to the existing CBD railway stations.

## **The Headland and Coves**

AfSD had been advised long ago that constructing a northern headland and coves in an attempt to replicate the natural pre-colonial appearance of the area, would cost considerably more than the forecast estimate of \$170 million.

We are informed that a recent tender, in an apparent attempt to save costs, has provided for shallow concrete pools for the coves and a shallow concrete ledge linking the new foreshore with seawalls that are reduced in height by one or two metres but which remain in the harbour.

AfSD suggests that the Audit Office should investigate the cost of the coves and headland in the context of what is now being envisaged, rather than in the context of the original concept.

## Value for money

AfSD suggests that, in investigating the Barangaroo project, the Audit Office should report on the monies and other consideration NSW is receiving for Barangaroo South having regard to the facts that:

- (a) Lend Lease is apparently seeking substantial compensation in return for surrendering the “hotel in the harbour” approved under the fourth modification to the concept plan;
- (b) The increase in costs in regard to providing access and transportation to Barangaroo;
- (c) The likely costs of the proposed White Bay shipping terminal; and
- (d) The value of the Barangaroo South site.

AfSD has been advised that the consideration payable by Lend Lease to the BDA is depriving NSW of at least \$1 billion in potential revenue which could have been received if the BDA had sought to obtain a consideration reflective of the true value of the land.

Experts have advised AfSD that a common method of comparing the land values with improvements is to compare costs per square metre of gross floor area (GFA). The attached spreadsheet prepared by an expert valuer lists the most recent land sales, the GFA and the last price per square metre of GFA of buildings currently under development or just completed in the northern section of the CBD bounded by Macquarie Street, Market Street, Darling Harbour and Circular Quay. The average land value is \$3,183 per square metre of GFA.

To cross check those values the AfSD expert located up to date valuations for a number of office buildings in the same area and arrived at a land value using a conservative 30% of the total value. The land values computed from the values are shown in the middle section of the spreadsheet.

To complete the analysis the AfSD expert looked at the proposed residential developments at Goldfields House and the Mirvac residential project at Harold Park. The results are shown in the last two lines of the attached spreadsheet and show land values of \$6,640 per square metre at Goldfields House and \$1,406 per square metre for low density housing at Harold Park.

The previous Auditor-General report made it clear for the first time that Lend Lease will pay a maximum \$1.03 billion for the land, spread over 10 years. That Report suggested that if the final value share payment does not materialize, the actual payment might be significantly less. Lend Lease acknowledges that the net present value of the payments is \$500 million (see the attached article from the Australian Financial Review 21 June 2011 “*Lend Lease on the hook for \$1b*”). Adding the \$200 million Lend Lease asserts it is committed to pay for public works in Barangaroo South - produces a cash price of \$700 million paid on contract signing.

The Lend Lease plan for Barangaroo has 560,000 square metres of building area, which equates to Lend Lease paying about \$1250 per square metre of GFA based on a consideration of \$700 million.

Therefore Lend Lease is obtaining a 99 years leasehold ownership to prime harbour foreshore land for a consideration that is about 38% of its fair value, thereby depriving NSW of at least \$1 billion in lost revenue. In fact, if one considers the values of only the most comparable properties, Darling Quarter and 1 Bligh Street, then the more realistic value of

Barangaroo South is about \$4,000 per square metre GFA, which means that Lend Lease is paying less than one third of the true value of the Barangaroo South site.

This is the result of the BDA seeking to achieve no more than a cost neutral outcome, when AfSD submits it should have been seeking an outcome commensurate with the true value of potentially the last publicly owned prime harbour foreshore development land, to cover the risks of costs blow-outs, the costs of the necessary infrastructure to accommodate Barangaroo, and in the hope of providing some surplus to general revenue.

Instead, it would seem that the likely outcome will be wasted government funds and a deficit to the NSW budget.

AfSD suggests that the Audit Office should report on these issues as a matter of urgency in order that the BDA and the NSW State Government can approach their negotiations with Lend Lease in respect of the "hotel in the harbour" and other commercial aspects of the development in a firm and enlightened position.

Thank you for your consideration of this important matter.

Yours sincerely,

A handwritten signature in cursive script that reads "Jamie Parker". The signature is written in black ink and is positioned above the typed name.

Jamie Parker MP  
Member for Balmain

Encl. Speech delivered to the NSW Parliament 24 November 2011; documents comparing CBD land values.

## Comparable Northern CBD Land Values

NAME	ADDRESS	VALUE		GROSS FLOOR AREA		BUILDING & LAND VALUATIONS				
		Last Sale \$m	Date	Sq Metres	Value p/sq metre of GFA	SOURCE OF INFORMATION	Bldg Value \$m	Bldg Value p/m2	Land as %ge of total	Estimated Land Value p/m2
<b>Land Value per square metre of building for new buildings &amp; buildings in progress</b>										
Former Goodsell Building	8 Chifley Square	\$60	Feb-06	21,738	\$2,770	Last land sale - CityScope / Gross floor area - City of Sydney DA - CityScope / Value of building & land - CityScope	\$309	\$14,215	19.42%	\$2,770
Tap Development	379-385 George Street / 38-48 York Street	\$72	Jun-08 - Feb-09	22,133	\$3,269	Last land sale - CityScope / Gross floor area - CityScope / Value of building & land - not available	-----	-----	-----	\$3,269
Former Kindersley House	33 Bligh Street / 20-26 O'Connell Street	\$75	Jun-09	28,038	\$2,675	Last land sale - CityScope / Gross floor area - CityScope / Value of building & land - not available	-----	-----	-----	\$2,675
The Ivy	320-340 George Street	\$24	Nov-03	6,464	\$3,376	Last land sale - CityScope / Gross floor area - CityScope / Value of building & land - not available	-----	-----	-----	\$3,376
1 Bligh Street	1 Bligh Street	\$180	Feb-09	45,760	\$3,933	Last land sale - CityScope / Gross floor area - CityScope / Value of building & land - Owner ( Dexus) web site	\$630	\$13,760	34.98%	\$3,933
Commonwealth Bank Place 1	1-25 Harbour Street	\$200	Feb-11	65,000	\$3,077	Sale to developer - anaecodotal - GIPA pending to SHFA / Gross floor area - CityScope / Value of building & land unknown	??????	??????	??????	\$3,077
Macquarie Group Building	1-19 Shelley Street	?????? NPV	Oct-11	39,552	??????	Land rental - GIPA to Maritime NSW- land value to be NPV /Gross floor area - CityScope / Value of building & land - CityScope	??????	??????	??????	??????
<b>Barangaroo Site</b>	<b>Hickson Road</b>	<b>\$700</b>	<b>Mar-10</b>	<b>560,000</b>	<b>\$1,250</b>	Land value - AG report (Discounted cashflow at 7.5%) / Gross floor area- Dept of Planning website / Value of buildings & land - Govt announcements + AG	<b>\$6,000</b>	<b>\$10,174</b>	<b>83%</b>	<b>\$1,250</b>
<b>Cross-check using older buildings valuations &amp; estimated land values per square metre</b>										
<b>Estimated land values based on valuation of land &amp; building (no recent land sales)</b>										
KPMG Tower	11 Sussex Street	-----	0	33,832		Land value- GIPA to Maritime NSW for lease sale value /Gross floor area - CityScope / Value of building & land - CityScope	\$268	\$7,920	30%	\$2,376
Grosvenor Place	225 George Street	-----	0	100,449		Last land sale - too old /Gross floor area - CityScope / Value of building & land - owner (Comm Bank) website	\$1,000	\$9,955	30%	\$2,980
Govenor Philip & Macquarie Tower	1 Farrer Place	-----		124,043		Last land sale - too old /Gross floor area - CityScope / Value of building & land - owner (Dexus) website	\$1,286	\$10,360	30%	\$3,180
NAB House	255 George Street	-----	Jun-95	50,150		Last land sale - too old /Gross floor area - CityScope / Value of building & land - CityScope	??????	??????	30%	??????
Westpac Place	275 Kent Street	-----		85,000		Last sale - too old /Gross floor area - CityScope / Value of building & land - owner (Mirvac Trust) website	\$750	\$8,823	30%	\$2,640
<b>Residential comparisons</b>										
Former Goldfields House	1 Alfred Street	\$274	Jun-06	41,265	\$6,640	Last land sale - CityScope / Gross floor area - CCPS website	??????	-----	-----	-----
Harold Park Development		\$187	Dec-10	132,918	\$1,406	City of Sydney Website DA Section/ Owner Mirvac	\$1,000	-----	-----	-----

[View Cityscope Map] [View Google Map]

[x] Remove

[hide photo]



Photo: CITYSCOPE

[View as Thumbnail]

Gross area  
21,738 sqm  
as per City of Sydney DA

SYDNEY CITYSCOPE, map 11 property 11 [Full View] [View Leases for this Property]

Text View

**Street Address:** 8 Chifley Square, Sydney

**Building Name:** 8 Chifley development

**Description:** 8 Chifley development, at excavation stage in August 2011. To be a 35-storey commercial building with two basement levels, a six level reverse podium and two sky terraces. Average floor plates of up to 3,000 sqm, with a total area of 19,000 sqm. Costing an estimated \$300m, the building was designed by Rogers Stirk Harbour & Partners and Lippmann Partnership. Developers are Mirvac. It is expected to achieve a six star Green Star rating and a five star NABERS Rating and will be complete in mid 2013.

**Owner:** The freehold is owned by NSW State Government, GPO Box 15, Sydney, NSW 2000. The 99-year leasehold expiring April 2105 is owned by a joint venture between K-Reit Asia (Australia) Trust, 1 Harbour Front Avenue, #18-01 Keppel Bay Tower, Singapore 098632, with a half share and AustralianSuper, GPO Box 1901, Melbourne, Vic 3000, with a half share. K-REIT Asia (Australia) Trust is a wholly owned subsidiary of K-REIT Asia, a real estate investment trust established by Keppel Land listed on the Singapore Exchange. The Trust is managed by K-REIT Asia Management Ltd. AustralianSuper is a multi-industry superannuation fund created through the merger of Australian Retirement Fund (ARF) and the Superannuation Trust of Australia (STA) in July 2006.

**Sales History:** The NSW Government offered a 99-year leasehold interest in the property, with a three-year leaseback, for sale by tender closing October 11, 2005. The 99-year leasehold was bought for \$60,200,000 in February 2006 by a joint venture between Mirvac Property Trust and Australian Retirement Fund (which later merged with Superannuation Trust of Australia to form AustralianSuper); agent Colliers International. The NSW Government is leasing back the building until June 2009. Mirvac Property Trust's half share was valued at \$32.3m in December 2005, at \$30m in December 2008 and at \$155m in June 2011. Mirvac Property Trust's half share of the leasehold was bought for an indicative consideration of \$154,367,795 in July 2011 by K-Reit Asia (Australia) Trust on an indicative initial yield of 6.65%. As part of the sale, a development agreement was signed with Mirvac Projects Pty Limited to construct and lease the new building. Under this agreement K-Reit will provide an incentive to Mirvac to achieve a higher rental income. Depending on the rents achieved on completion Mirvac will be entitled to a higher final consideration which will be capped at \$169,804,575.

**Managing Agent:** Mirvac Group

**Street Frontages:** 38.83m (127ft 5in) to Phillip Street, 35.41m (116ft 2 in) to Elizabeth Street, 32.88m (107ft 11in) to Chifley Square, site area 1,581 sqm.

**Title Details:** Folio identifier 10/752057.

First Prev Next Last

[Exit Print View](#)

[Print](#)

low Google Map

[Remove](#)

SYDNEY CITYSCOPE, map 17 property 8 [Full View](#)

Text View

**Street Address:** 379 - 381 George Street, Sydney

**Building Name:** Fletcher Jones Building

**Description:** Fletcher Jones Building, a 6-level building completed in 1957, altered in 1978 to a retail store. Gross floor area 2,000 sqm, net lettable area 1,879 sqm.

**Tenant List:** Whole building was vacant in August 2011.

**Leasing:** In August 2011, about 4,250 sqm of office space available for pre-lease in a proposed development through agents; Knight Frank Sydney and Savills.

**Proposals:** D/2010/1460 - For the retention of the heritage listed Spiden House and Carlton House on York St and demolition of the adjoining two sites on George St for the construction of a 20 storey tower, plus three basement levels (car parking, loading and retail use); retail on Ground to Level 2, Level 3 retail/restaurant, Level 4 plant and office, Level 5 to 18 office, and Levels 19 to 20 and the roof for plant and equipment. A through site link is also proposed between George and York Streets at an estimated cost of \$85,151,000, was lodged in September 2010 and deferred in May 2011.

**Owner:** Tap Sydney CBD 3 Pty Ltd on behalf of Fife Capital Management Pty Ltd, L 6, 139 MacQuarie St, Sydney, NSW 2000. Fife Capital Management is controlled by Allan A Fife of Pymble and Mark E Holmes of Drummoyne. Fife Capital Management acts on behalf of the unlisted Terra Australis Property Fund.

**Sales History:** Traded at \$980,000 in July 1978. Bought for \$9,000,000 at auction in November 1987, settled January 1988 by Derisi Pty Ltd; agent Baillieu Knight Frank. Bought for \$24,600,000 (cd 25.02.2009, td 12.06.2009) by Tap Sydney CBD 3 Pty Ltd on behalf of Fife Capital Management Pty Ltd; agent CB Richard Ellis.

**Street Frontages:** 12.93m (42ft 5in).

**Site Area:**  
367 sqm

**Title Details:** Folio identifier 3/71204.



Photo: CITYSCOPE



First Prev Next Last

Exit Print View

Print

v Google Map]

[x] Remove

SYDNEY CITYSCOPE, map 17 property 11 [Full View]

Text View

**Street Address:** 383 - 385 George Street, Sydney

**Description:** The former Gibb and Beeman House, a 9 storey building with a basement, comprising retail space on ground and offices in the upper levels, opened in 1959. Refurbished in 1987 and in 1996. Net lettable office area 2,189 sqm.

**Tenant List:** Quiksilver. Upper levels were vacant in August 2011.

**Proposals:** D/2010/1460 - For the retention of the heritage listed Spiden House and Carlton House on York St and demolition of the adjoining two sites on George St for the construction of a 20 storey tower, plus three basement levels (car parking, loading and retail use); retail on Ground to Level 2, Level 3 retail/restaurant, Level 4 plant and office, Level 5 to 18 office, and Levels 19 to 20 and the roof for plant and equipment. A through site link is also proposed between George and York Streets at an estimated cost of \$85,151,000, was lodged in September 2010 and deferred in May 2011.

**Owner:** Tap Sydney CBD 2 Pty Ltd, c/- Fife Capital Pty Ltd, Level 6, 139 Macquarie Street, Sydney, NSW 2000. Tap Sydney CBD 2 is owned by Fife Capital Management Pty Ltd. Fife Capital Management is controlled by Allan A Fife of Pymble and Mark E Holmes of Drummoyne. Fife Capital Management acts on behalf of the unlisted Terra Australis Property Fund.

**Sales History:** Auctioned in November 1987, passed in at \$9,500,000 (reserve \$10,000,000). Bought by Carla Zampatti Pty Ltd for \$9,600,000 in April 1988. Was for sale by expressions of interest closing December 5, 2002; agent CB Richard Ellis. Not sold and subsequently withdrawn. Bought for \$10,000,000 in June 2005, settled September 2005, by Troppa Trading (NSW) Pty Ltd; agent Laing & Simmons. Bought for \$20,000,000 with settlement in October 2008 by Tap Sydney CBD 2 Pty Ltd.

**Building Services:** Lifts - Otis Elevator Company Pty Ltd (1 lifts).

**Street Frontages:** 11.09m (36ft 5in).

**Site Area:**  
309 sqm

**Title Details:** Folio Identifier 1/211098.



Photo: CITYSCOPE

[First](#)
[Prev](#)
[Next](#)
[Last](#)

[Exit Print View](#)

[Print](#)

Google Map1

[x] Remove

SYDNEY CITYSCOPE, map 17 property 6 [\[Full View\]](#)

Text View

**Street Address:** 38 York Street, Sydney

**Building Name:** Carlton House

**Description:** Carlton House, a 7-storey brick building; refurbished in 1982 as shops, offices and residential units, officially opened in December 1982. Net lettable area 2,612 sqm.

**Historic Listings:** With properties 9 and 10, classified by the National Trust as the York St Group 1. Listed on the Central Sydney HLEP 2000, Heritage Inventory No 4083 in April 2000.

**Tenant List:** Whole building was vacant.

**Proposals:** D/2010/1460 - For the retention of the heritage listed Spiden House and Carlton House on York St and demolition of the adjoining two sites on George St for the construction of a 20 storey tower, plus three basement levels (car parking, loading and retail use); retail on Ground to Level 2, Level 3 retail/restaurant, Level 4 plant and office, Level 5 to 18 office, and Levels 19 to 20 and the roof for plant and equipment. A through site link is also proposed between George and York Streets at an estimated cost of \$85,151,000, was lodged in September 2010 and deferred in May 2011.

**Owner:** Tap Sydney Cbd Pty Ltd, c/- Fife Capital Pty Ltd, Level 6, 139 Macquarie Street, Sydney, NSW 2000. Tap Sydney Cbd is owned by Fife Capital Management Pty Ltd. Fife Capital Management is controlled by Allan A Fife of Pymble and Mark E Holmes of Drummoyne. Fife Capital Management acts on behalf of the unlisted Terra Australis Property Fund.

**Sales History:** Traded at \$1,700,000 in September 1981, and at \$4,475,713 in February 1983. Auctioned in September 1984; passed in at \$5,550,000. Traded at \$5,850,000 in August 1985 and at \$8,150,000 in September 1987. Bought for \$11,650,000 in November 1988 by Carla Zampatti (NSW). Bought for \$9,750,000 in June 2008 by Tap Sydney Cbd Pty Ltd.

**Building Services:** Lifts - Otis Elevator Company Pty Ltd (1 lifts).

**Street Frontages:** 21.05m (69ft 1in).

**Site Area:**  
516 sqm

**Title Details:** Auto consol 11711-20 and 1/635682.



Photo: CITYSCOPE

[Exit Print View](#)

[Google Map](#)

[\[x\] Remove](#)

SYDNEY CITYSCOPE, map 17 property 9 [\[Full View\]](#)

Text View



Photo: CITYSCOPE

**Street Address:** 46 - 48 York Street, Sydney

**Description:** A 7-storey office block. Upper floors were refurbished in 1985. The lifts were refurbished in 2007. Net lettable office area 3,370 sqm.

**Historic Listings:** With properties 6 and, classified by the National Trust as the York St Group 1. Listed on the Central Sydney HLEP 2000, Heritage Inventory No 4085.

**Tenant List:** Whole building was vacant in August 2011.

**Proposals:** D/2010/1460 - For the retention of the heritage listed Spiden House and Carlton House on York St and demolition of the adjoining two sites on George St for the construction of a 20 storey tower, plus three basement levels (car parking, loading and retail use); retail on Ground to Level 2, Level 3 retail/restaurant, Level 4 plant and office, Level 5 to 18 office, and Levels 19 to 20 and the roof for plant and equipment. A through site link is also proposed between George and York Streets at an estimated cost of \$85,151,000, was lodged in September 2010 and deferred in May 2011.

**Owner:** Tap Sydney Cbd Pty Ltd, c/- Fife Capital Pty Ltd, Level 6, 139 Macquarie Street, Sydney, NSW 2000. Tap Sydney Cbd is owned by Fife Capital Management Pty Ltd. Fife Capital Management is controlled by Allan A Fife of Pymble and Mark E Holmes of Drummoyne. Fife Capital Management acts on behalf of the unlisted Terra Australis Property Fund.

**Sales History:** Auctioned May 1977, passed in at \$290,000. Traded at \$456,000 in July 1978. Offered for sale at \$690,000 in October 1978. Auctioned in December 1979, bought for \$725,000 in December 1979, settled March 1980 by Carla Zampatti Wholesaling Pty Ltd. Bought for \$18,000,000 in June 2008 by Tap Sydney Cbd Pty Ltd.

**Building Services:** Lifts - Otis Elevator Company Pty Ltd (1 lifts).

**Street Frontages:** 19.03m (62ft 5in).

**Site Area:**  
556 sqm

**Title Details:** Folio identifier A/72012.

First Prev Next Last

Exit Print View

Print

Google Map

[x] Remove

SYDNEY CITYSCOPE, map 6 property 28 [Full View]

Text View

**Street Address:** 33 Bligh Street, Sydney

**Building Name:** Kindersley House

**Description:** Kindersley House, a grade C building, 17 storeys plus two basement levels providing parking for 35 cars. Opened in 1960 and altered in 1982/83 to merge the lower levels with the then new development on property 29. Net lettable area 18,241 sqm. Typical floor plate 1,100 sqm.

**Tenant List:** Whole building vacant in August 2011.

**Proposals:** In July 2009, the new owner of this property, Energy Australia, announced plans to build a new substation on this site as part of it's \$800m City Grid Project. The former owners, Investa Property Group, will retain the option to build a 21,000 sqm office tower on the site after the substation is completed. D/2007/2027 for demolition of the existing commercial building and construction of a 205m tall commercial building comprising: 28,023 sqm of floorspace; through site pedestrian link between Bligh and O'Connell Street; basement car parking for 41 cars; and ground level retail space at an estimated cost of \$221,485,000, was approved with deferred commencement in October 2008. In October 2009, Investa announced that plans for the construction of the tower had been put on hold.

**Past proposals:** See property 28.

DA 174/96 for the demolition of the existing buildings on properties 28, 29 and 32 and for the erection of a 29 storey commercial building comprising 4 podium levels of retail, 22 storeys of commercial tower and 3 levels of parking for 54 cars was approved in May 1996. Architects are the Rice Daubney Group.

DA 53/89, including properties 28, 29 and 32, for the development of a 24-storey office building with ground floor retail space and basement parking, was approved in July 1989.

**Owner:** EnergyAustralia, GPO Box 4009, Sydney 2001. EnergyAustralia (formerly Sydney Electricity) is the NSW State Government electricity supply authority for the Sydney area.

**Sales History:** Properties 28 and 29 were bought for \$92,000,000 in July 1988 by Oztan Pty Ltd. An option to buy properties 28, 29 and 32 expired in August 1996. Tower Holdings gained control of properties 28, 29 and 32 for a reported \$53,500,000 in August 1997 by purchase of the owner company. Was for sale with property 28 in December 1997 through Richard Ellis and First Pacific Davies; not sold and withdrawn. Properties 28 and 29 were bought for \$69,900,000 in December 2001 by BT Office Trust. Properties 28 and 29 were valued at \$68m in December 2001, at \$68m in June 2003 and at \$60m in December 2003. Properties 28 and 29 were acquired by Investa Property Group following the takeover of Principal Office Fund (formerly BT Office Trust) in August 2003. In its 2003 annual report, Investa attributed a total cost of \$60 million to the acquisition of properties 28 and 29. Book value was \$63.6m in June 2006. Properties 28 and 29 were bought for \$75,000,000 (cd 29.06.2009, td 26.06.2009) by EnergyAustralia. Colliers International brokered the deal. As part of the deal, Investa Property Group retains an option to build a 21,000 sqm office building on the site.

**Building Services:** Lifts - Otis Elevator Company Pty Ltd (6 lifts)Otis Elevator Company Pty Ltd (6 lifts).

**Managing Agent:** Investa Property Group

**Street Frontages:** Properties 28 and 29 are on one title with a frontage of 29.983m (98ft 4in) to O'Connell St and 28.968m (95ft) to Bligh St.

**Site Area:**  
2,042 sqm

**Title Details:** Folio identifier 1/626651 (including property 29).



Photo: CITYSCOPE

First Prev Next Last

[Exit Print View](#)

[Print](#)

[View Google Map](#)

[\[x\] Remove](#)

**SYDNEY CITYSCOPE, map 6 property 29** [\[Full View\]](#)

**Text View**

**Street Address:** 26 O'Connell Street, Sydney

**Description:** A 10-storey office building, completed in 1983. Lower levels are merged with Kindersley House (property 28) forming an arcade between O'Connell and Bligh Streets. Upper levels are progressively stepped back to include outside gardens and forecourts. Net lettable area 3,213 sqm. Typical floor plate 382 sqm.

**Tenant List:** Whole building vacant in August 2011.

**Proposals:** In July 2009, the new owner of this property, Energy Australia, announced plans to build a new substation on this site as part of its \$800m City Grid Project. The former owners, Investa Property Group, will retain the option to build a 21,000 sqm office tower on the site after the substation is completed. Past proposals: See property 28.

DA 174/96 for the demolition of the existing buildings on properties 28, 29 and 32 and for the erection of a 29 storey commercial building comprising 4 podium levels of retail, 22 storeys of commercial tower and 3 levels of parking for 54 cars was approved in May 1996. Architects are the Rice Daubney Group.

DA 53/89, including properties 28, 29 and 32, for the development of a 24-storey office building with ground floor retail space and basement parking, was approved in July 1989.

**Owner:** EnergyAustralia, GPO Box 4009, Sydney 2001. EnergyAustralia (formerly Sydney Electricity) is the NSW State Government electricity supply authority for the Sydney area.

**Sales History:** Properties 28 and 29 were bought for \$92,000,000 in July 1988 by Ozton Pty Ltd. An option to buy properties 28, 29 and 32 expired in August 1996. Tower Holdings gained control of properties 28, 29 and 32 for a reported \$53,500,000 in August 1997 by purchase of the owner company. Was for sale with property 28 in December 1997 through Richard Ellis and First Pacific Davies; not sold and withdrawn. Properties 28 and 29 were bought for \$69,900,000 in December 2001 by BT Office Trust. Properties 28 and 29 were valued at \$68m in December 2001, at \$68m in June 2003 and at \$60m in December 2003. Properties 28 and 29 were acquired by Investa Property Group following the takeover of Principal Office Fund (formerly BT Office Trust) in August 2003. In its 2003 annual report, Investa attributed a total cost of \$60 million to the acquisition of properties 28 and 29. Book value was \$63.6m in June 2006. Properties 28 and 29 were bought for \$75,000,000 (cd 29.06.2009, td 26.06.2009) by EnergyAustralia. Colliers International brokered the deal. As part of the deal, Investa Property Group retains an option to build a 21,000 sqm office building on the site.

**Building Services:** Lifts - Otis Elevator Company Pty Ltd (2 lifts).

**Street Frontages:** Properties 28 and 29 are on one title with a frontage of 29.983m (98ft 4in) to O'Connell St and 28.968m (95ft) to Bligh St.

**Site Area:**  
2,042 sqm

**Title Details:** Folio identifier 1/626651 (including property 28).

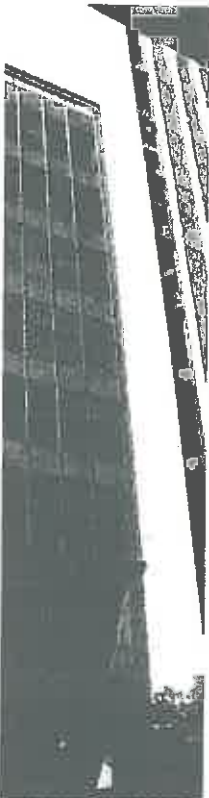


Photo: CITYSCOPE

First Prev Next Last

Exit Print View

Print

Google Map

[x] Remove

SYDNEY CITYSCOPE, map 9 property 47A [Full View]

Text View

**Street Address:** 330 - 346 George Street, Sydney

**Building Name:** The Ivy

**Description:** A 5-storey building completed in late 2007, the southern part of The Ivy entertainment complex which comprises two adjoining buildings of 8-storeys (property 43) and 5-storeys (property 47A). The two buildings have a total area of 20,000 sqm. This property comprises retail space to George Street, a wine bar to Ash Street, office space on the mezzanine and level three, bar, lounge and dining areas on levels one and two, a basement level with gaming room, coolroom, cellars, loading dock and a stock handling area. The Ivy was built at an estimated total cost of \$150 million. The Ivy entertainment complex was awarded the 2008 MBA Construction awards for the best hospitality building. Builder, Lucas Stuart. The building won the Lloyd Rees Award for urban design at the NSW Architecture Awards in June 2009. The site of two 6-storey buildings and an 8-storey building demolished in 1989, and a 6-storey building demolished in late 2005 with the exception of part of the facade which was retained and incorporated into the new building.

**Tenant List:** Mad Cow Restaurant, Peter Alexander and Stellar Moda.

**Proposals:** DA/2008/725 - Change of use of level 3 from office space to a function/entertainment area. Works include canvas awnings in George Street and Palings Lane and mechanical ventilation on roof. Estimated cost, \$350,000.

**Owner:** Hemmes Hermitage Pty Ltd, GPO Box 4719, Sydney 2000. Hemmes Hermitage is owned by John and Merivale Hemmes, and Justin Hemmes, all of Vauduse.

**Sales History:** In the mid 1980s the AMP Society arranged to purchase this site, subject to a number of conditions. The sale did not proceed. Was for sale by public tender in September 2003. The site was bought in two parcels for a total of \$24,000,000 by Hemmes Hermitage in November 2003; agent Jones Lang LaSalle. The City of Sydney Council and Hemmes Hermitage arranged a land swap in June 2006 as part of the arrangement to relocate Palings Lane. The parcel of land where Palings Lane used to be located in property 47A was acquired from the City of Sydney Council by Hemmes Hermitage. The parcel of land to the north of property 47A where Palings Lane was relocated was acquired from Hemmes Hermitage by the City of Sydney Council.

**Street Frontages:** 43.41m (142.4 ft) to George St. 43.69m (143.3 ft) to Ash St, 31.94m (104ft 8in) to Palings Lane.

**Site Area:**  
1,345 sqm

**Title Details:** Folio identifier 1/1120957.



Photo: CITYSCOPE



Photo: CITYSCOPE

[View Cityscope Map] [View Google Map]

[Zoom In]

[Hide Photo]

SYDNEY CITYSCOPE, map 6 property 17A [Full View]



Photo: CITYSCOPE

[View as Thumbnail]

**Text View**

**Street Address:** 1 - 13 Bligh Street, Sydney

**Building Name:** 1 Bligh

**Description:** 1 Bligh, a 32-level building with 27 levels of office space, plant rooms on levels 16 and 29, a cafe in the ground level lobby, a childcare facility on the lower ground level, a wintergarden area on the ground level and four levels of basement parking for 96 cars, completed in mid 2011. The building features a double-skin glass facade, with the two layers of glass separated by a ventilated cavity housing an automatic computer-controlled sunshade. The building also features a full height atrium, the tallest atrium in Australia at 135m, plus solar thermal collectors on the roof. The building houses Sydney CBD's first combined private network and retailer's water recycling licence for blackwater recycling. The building is designed to achieve a six-star rating from the Green Building Council of Australia and a five-star NABERS Energy rating. Net lettable area 42,000 sqm. Floor plates 1,637 sqm. Developed at an estimated cost of \$666m by Dexus Property Group. Builder was Grocon. Architects were, Ingenhoven Architekten in collaboration with Architectus. On the site of five office towers of 9, 11, 13, 14 and 18 storeys, all demolished mid 2008.

**Tenant List:** Clayton Utz. There is a cafe in the foyer. Levels 16 to 28 were vacant in August 2011.

**Owners:** Perpetual Trust Company of Australia Ltd owns the property on behalf of the Bent Street Trust, c/- Dexus Property Group, Level 9, 343 George Street, Sydney, NSW 2000. Bent Street Trust is a joint venture owned by DEXUS Property Group (33.3 per cent), Cbus Property (33.3 per cent) and DEXUS Wholesale Property Fund (33.3 per cent). DEXUS Property Group, formerly DB RREEF Trust, is listed on the Australian stock exchange and is managed by DEXUS Funds Management Ltd. It was formed in 2004 by stapling together units in three listed trusts and some unlisted funds then managed by Deutsche Bank. DEXUS Wholesale Property Fund is an unlisted wholesale property fund managed by DEXUS Funds Management Ltd. National Mutual Life Association (a subsidiary of Axa Asia Pacific) is a major unit holder in the fund.

The fund was originally established in 1983 as the Cities of Australia Property Trust and was later renamed first as the NMFPM Property Fund, then the Deutsche Wholesale Property Fund and then DB RREEF Wholesale Property Fund. Cbus Property is a division of Cbus Superannuation Fund, the national superannuation fund for the construction industry.

**Sales History:** The property was acquired by Deutsche Office Trust (later renamed DB RREEF Trust) and Deutsche Wholesale Property Fund (later being renamed DB RREEF Wholesale Property Fund before being renamed again to DEXUS Wholesale Property Fund) in three separate transactions between 1998 and 2003. In December 1998, 15 Bent Street was bought for \$43,000,000. In August 2001, 2 and 4 O'Connell Street and 9 Bligh Street were bought for \$41,950,000. In December 2003, 1 Bligh Street was bought for \$30,000,000. In December 2007, four internal transfers of partial interests in each of the titles involved in the Space 1 Bligh development were registered, to achieve the desired ultimate ownership. The transfers were to Perpetual Trustee Company Ltd, which owns the property on behalf of the Bent Street Trust. The four transfers were valued at \$12,734,232 for 9 Bligh Street, \$17,318,555 for 2 O'Connell Street, \$18,846,663 for 1 Bligh Street and \$32,599,634 for 4 O'Connell Street. In February 2009, a one-third share of the property was acquired from DEXUS Property Group by Cbus Property for a total of approximately \$210,000,000. This figure includes a sum of about \$60,000,000 for the acquisition and development costs incurred to date and another \$150,000,000 in building and other costs before construction is due to be completed in 2011. DEXUS Wholesale Property Group, was granted an option by DEXUS Property Group to purchase an additional 1.5 per cent share for \$3,000,000 in February 2009, thus regularising all joint venturers' interests to three equal shares. Valued at \$96.7m in June 2010.

**Street Frontages:** 51.3m (168ft 3in) to Bligh Street, 13.41m (44ft) splay, 31.82m (104ft 4in) to Bent Street, 3.05m (10ft), and 62.015m (203ft 5in) to O'Connell Street.

**Site Area:** 3,317 sqm

**Title Details:** Folio identifier 100/1126282.

[\[View Cityscope Map\]](#) [\[View Google Map\]](#)  
[\[-\] hide photo](#)

[\[x\] Remove](#)

**SYDNEY CITYSCOPE**, map 26B property 2 [\[Full View\]](#) [\[View Leases for this Property\]](#)

Text View



Photo: CITYSCOPE

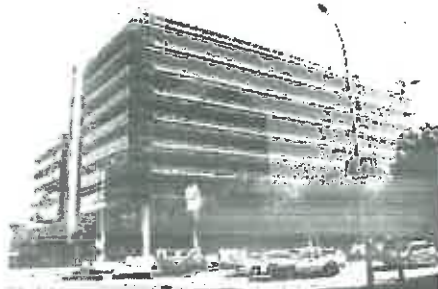


Photo: CITYSCOPE

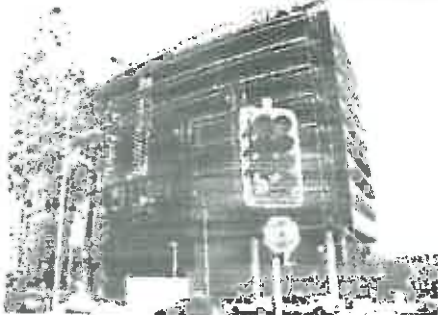


Photo: CITYSCOPE

[\[View as Thumbnail\]](#)

**Street Address:** 1 - 25 Harbour Street, Sydney

**Building Name:** Commonwealth Bank Place I

**Description:** Commonwealth Bank Place and Darling Quarter, a \$560 million redevelopment project, once named Darling Walk, completed in mid 2011. The complex comprises two 9-storey buildings comprising commercial office space of 55,000 sqm, named as 'Commonwealth Bank Place I and Commonwealth Bank Place II', and a retail precinct, leisure facilities, public open space plus basement parking for 600 public and 200 private cars, named as 'Darling Quarter'. The buildings have a total area of 65,000 sqm. The buildings will have a six-star Green Star rating for design and a five-star NABERS energy rating. Developer, Lend Lease. Architect, FJMT.

The complex was developed on land forming part of the Darling Harbour area under the administration of the Sydney Harbour Foreshore Authority. On the site of former roads and various buildings which were demolished in 1986, after resumption of properties by the Darling Harbour Authority. The \$1 billion Darling Harbour redevelopment included an IMAX cinema (map 26A property 1), an exhibition centre, a Chinese garden, a maritime museum, a marina, retail markets, parks and lakes (which are out of the area covered by Sydney Cityscope). It is linked to the city by monorail. Extensive refurbishment of the retail and conference sections of Darling Harbour was completed in August 1999. Part of the land was the site of Sega World from April 1997 to November 2000.

**Tenant List:** Commonwealth Bank of Australia has pre-committed to a 13-year lease of the entire building. Ground floor at the back of both buildings were being fitted out in August 2011.

**Proposals:** D/2011/1222 for fitout of childrens theatre at an estimated cost of \$1,600,000, was lodged in August 2011.  
 D/2011/838 for fit out and use of licensed restaurant at the ground floor of the Southern building within Darling Quarter complex, at an estimated cost of \$1,600,000, was lodged in June 2011 and approved in July 2011.  
 D2011/746 for use and fitout of tenancies 5 & 6 as Guylian Cafe for 205 persons trading till midnight Sunday to Thursday and 1am the following day Friday and Saturday evenings, at an estimated cost of \$500,000, was lodged in May 2011 and approved in June 2011.

**Owner:** The freehold is owned by Sydney Harbour Foreshore Authority, Level 6, 66 Harrington Street, The Rocks Sydney, NSW 2000. The leasehold is owned by Lend Lease Funds Management Ltd on behalf Australian Prime Property Fund, c/- Lend Lease Corporation, 30 Hickson Road, Millers Point, NSW 2000 and Harina Company Ltd, Level 5, 1 O'Connell St, Sydney 2000. Sydney Harbour Foreshore Authority is a NSW Government statutory authority subject to the control and direction of the Minister for Planning. Australian Prime Property Fund (APPF) comprises three unlisted wholesale pooled property funds, APPF Retail, APPF Commercial and APPF Industrial. Units in APPF are owned by about 18 Australian and overseas institutions. The funds are managed by Lend Lease Real Estate Investment Limited. Harina is owned by the Abu Dhabi Investment Authority.

**Sales History:** In 2006, the Sydney Harbour Foreshore Authority called for expressions of interest to redevelop the part of Darling Harbour known as Darling Walk as an office and retail precinct. At the end of 2007, Lend Lease was named as the preferred bidder. In September 2008, a joint venture between the Lend Lease managed Australian Prime Property Fund and Harina Company Ltd, the Australian arm of the Abu Dhabi Investment Authority, won the rights to construct the \$560 million Darling Walk development. In January 2010, the SHFA invited tenders (closing 8th February) to acquire the Authority's ground leasehold interest in this property by way of grant of concurrent lease.

**Site Area:**  
17,491 sqm

**Title Details:** Folio identifiers 318 & 319/871455 and 600/1126760.



**SYDNEY CITYSCOPE, map 8A property 1F [Full View]**

**Text View**

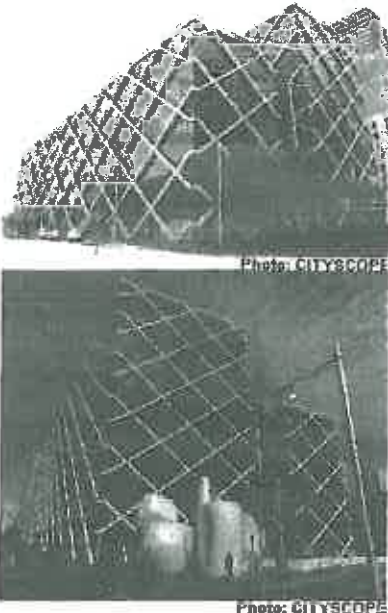


Photo: CITYSCOPE

Photo: CITYSCOPE

[View as Thumbnail]

**Street Address:** 1 - 19 Shelley Street, Sydney

**Building Name:** Macquarie Group Building

**Description:** Macquarie Group Building, also known as One Shelley Street, two buildings of 6 and 11 storeys, part of the King Street Wharf 9 development, completed in February 2009 at a cost of about \$33m. The building features an exterior crisscross steel frame, known as a diagrid, over a glass facade and connected by a glass atrium. There is retail space on the ground level, a childcare centre and a gym. There is a coach layover station occupying most of basement level 2 with entrance from Lime Street. There is parking for 258 cars on basement levels 1, 3, 4 and 5. A total of 158 car spaces on basement levels 4 and 5 are operated as a public car park with entrance from Shelley Street. There are an additional 100 car parks for the use of the office tenants. Sustainable features of the building include chill beam air conditioning, and a heat transfer system that cools the building by running water pipes into the adjacent harbour. On completion the building was awarded a six-star Green Star rating from the Green Building Council of Australia. In 2010, One Shelley Street was named as the overall winner of the Property Council of Australia/Ryger Levitt Bucknall Innovation and Excellence Awards. Typical floor plates range from 2,290 sqm to 3,590 sqm. Net lettable area 32,960 sqm. Developer and builder; Brookfield Multiplex. Architect; James Fitzpatrick.

**Tenant List:** Lawson's Men's Hair - Shelley St and Macquarie Group.

**Owner:** The freehold is owned by the Maritime Authority of NSW. A 99 year leasehold expiring February 25, 2108 for the whole of the building excluding basement level 2 and the public car parking on basement levels 4 and 5 is held by Brookfield Multiplex Shelley St Landowner Pty Ltd, Level 22, 135 King Street, Sydney, NSW 2000. A 99 year leasehold expiring February 25, 2108 of the public car parking on basement levels 4 and 5 is held by Brookfield Multiplex Shelley St CP Landowner Pty Ltd, Level 22, 135 King Street, Sydney, NSW 2000. Both companies are owned by the Brookfield Multiplex Group. The Brookfield Multiplex Group is a subsidiary of Brookfield Asset Management following its takeover in January 2008; Brookfield Asset Management is listed on the Toronto and New York stock exchanges. Brookfield Asset Management's interest in the property is effectively controlled by Brookfield Properties Corporation, Three World Financial Center, 200 Vesey Street, 11th Floor, New York, New York 10281, United States through a Total Return Swap (see sales text). Brookfield Properties Corporation is listed on the Toronto and New York stock exchanges. A 98 year 24 day leasehold expiring February 25, 2108 of the coach layover station on basement level 2 is held at a nominal annual rent by the Director General of the NSW Department of Transport and Infrastructure, PO Box K659, Haymarket, NSW 2000. The Maritime Authority of NSW trades as NSW Maritime and was created in 2004, replacing the Waterways Authority and the Marine Ministerial Holding Corporation. NSW Maritime is the State Government Authority responsible for marine safety, regulation of commercial and recreational boating and oversight of port operations. Brookfield Multiplex Shelley St Landowner Pty Ltd is owned by the Brookfield Multiplex Group. Brookfield Multiplex Shelley St Landowner Pty Ltd is owned by the Brookfield Multiplex Group. Brookfield Properties Corporation is listed on the Toronto and New York stock exchanges. The Brookfield Multiplex Group is a subsidiary of Brookfield Asset Management following its takeover in January 2008; Brookfield Asset Management is listed on the Toronto and New York stock exchanges. The Brookfield Multiplex Group is a subsidiary of Brookfield Asset Management following its takeover in January 2008; Brookfield Asset Management is listed on the Toronto and New York stock exchanges.

**Sales History:** Proposals for the development rights to the wharf areas on maps 8A and 12A were lodged with the Department of Public Works & Services by October 30, 1997. In February 1998, the Multiplex-Walker Corporation joint venture Wharves 9 & 10 was announced as the preferred developer of the \$700 million redevelopment of these properties. In December 1999, Australand acquired its interest in Wharves 9 & 10 with a successful takeover bid for Walker Corporation. Prior to commencement of development on this site, Multiplex acquired Australand's half share of the development rights, giving Multiplex Ltd the sole development rights. Multiplex became part of the Brookfield Multiplex group in 2008. In February 2009, the 99-year leasehold for the entire building except basement level 2 and the public car parking on basement levels 4 and 5 was registered in the name of Brookfield Multiplex Shelley Street Landowner Pty Ltd. In February 2009, the 99-year leasehold of the public car parking on basement levels 4 and 5 is held by Brookfield Multiplex Shelley Street CP Landowner Pty Ltd. In February 2010, a long term leasehold expiring in February 2108 for the coach layover station on basement level two was transferred to the Director General of the Department of Transport and Infrastructure. In a deal arranged in July 2010 and settled on September 28, 2010, Brookfield Properties (BPO) of the US and Canada acquired-effective control of Brookfield Asset Management's interest in a portfolio of 16 properties in Sydney, Melbourne and Perth. The transaction was effected as a Total Return Swap, which entitles BPO to all net cash flows and changes in value of the properties. BPO paid \$1,572,000,000 for the Total Return Swap, or about 41% of the \$3.798bn value of the portfolio. BPO also manages the properties and has an option to purchase them at any time.

**Street Frontages:** 53.2m (174ft 6in) to Erskine St; 116.5m (382ft 1in) to Lime St.

**Site Area:** 12,276 sqm

**Title Details:** Folio Identifiers 1/1134202A & B and 2/1134202A& B (the entire

## SYDNEY CITYSCOPE, map 8A property 1D [Full View]

## Text View

**Street Address:** 11 Sussex Street, Sydney

**Building Name:** KPMG Tower

**Description:** KPMG Tower, part of King Street Wharf 9 development, a 16-storey tower with parking for 109 cars, completed in late 2003. The building is KPMG's national headquarters. In 2010 the building had a 5 star NABERS Energy Rating and a 2.5 star NABERS Water Rating. Net lettable area 28,193 sqm. Typical floor plates 1,970 sqm. This property includes 1,002 sqm basement stratum underneath the adjacent property 1C. Developed by a joint venture between Multiplex and Australand known as Wharves 9 & 10 Pty Ltd. Builder; Multiplex. Architect; Ashton Raggatt McDougall. Valued at \$150 million in September 2008.

**NABERS:** Energy without Green Power 5.0 stars, Water 2.0 stars (rating expiry - 31/08/2011, scope - base building).

**Tenant List:** KPMG and Lobby Cafe.

**Owner:** Commonwealth Property Office Fund, GPO Box 3892, Sydney, NSW 2001, with a half share and Brookfield Multiplex Property Trust, Level 15, 216 St Georges Terrace, Perth, WA 6000, with a half share. Brookfield Asset Management's interest in the property is effectively controlled by Brookfield Properties Corporation through a Total Return Swap (see sales text). Brookfield Properties Corporation is listed on the Toronto and New York stock exchanges. The Commonwealth Property Office Fund is listed on the Australian Securities Exchange and is owned by a wide range of unit holders, the largest being the Commonwealth Bank with about 12% of the issued capital. The fund, which originally floated in a public issue in April 1999, is managed by CBA subsidiary CFS Managed Property Ltd under appointment from responsible entity Commonwealth Managed Investments Ltd. Brookfield Multiplex Property Trust is part of the Brookfield Multiplex Group. The trust is managed by Brookfield Properties Corporation. The Brookfield Multiplex Group is a subsidiary of Brookfield Asset Management following its takeover in January 2008; Brookfield Asset Management is listed on the Toronto and New York stock exchanges.

**Sales History:** Proposals for the development rights to the wharf areas on maps 8A and 12A were lodged with the Department of Public Works & Services by October 30, 1997. In February 1998, the Multiplex-Walker Corporation joint venture Wharves 9 & 10 was announced as the preferred developer of the \$700 million redevelopment of these properties. In December 1999, Australand acquired its interest in Wharves 9 & 10 with a successful takeover bid for Walker Corporation. The freeholds of properties 1C and 1D and 1G were transferred by Waterways Authority to the Australand-Multiplex group at \$10,670,000 in November 2002. Early in 2003, Australand announced a proposal to sell its half share in the development to a new trust, the Australand Wholesale Office Trust. In June 2003, Australand announced that the proposed trust would not proceed. The half share of property 1D owned by Australand through its subsidiary Australand W9 & 10 Stage 3A was sold for \$110,000,000 (plus \$200,000 costs) in June 2003 to Commonwealth Property Office Fund; agent FPD Savills. Commonwealth Property Office Fund purchased the half share through the purchase of all the shares in Australand W9 & 10 Stage 3A from Australand. CPOF paid an initial deposit of \$10 million for these shares, with the remaining \$100 million paid on completion of the building. The half share owned by Multiplex Ltd was transferred at \$109,500,000 in October 2003 to Multiplex Property Trust (later renamed Brookfield Multiplex Property Trust). The October 2003 Multiplex prospectus included a valuation of \$110m for Multiplex's half share on completion. Valued at \$230m in December 2004; at \$275m in December 2006; at \$295m in July 2007; at \$270m in March 2009 on a cap rate of 7.0%; and at \$260m in September 2009 on a cap rate of 7.25%. The Commonwealth's 50% share was valued at \$135m in March 2009. In a deal arranged in July 2010 and settled on September 28, 2010, Brookfield Properties (BPO) of the US and Canada acquired effective control of Brookfield Asset Management's interest in a portfolio of 16 properties in Sydney, Melbourne and Perth. The transaction was effected as a Total Return Swap, which entitles BPO to all net cash flows and changes in value of the properties. BPO paid \$1,572,000,000 for the Total Return Swap, or about 41% of the \$3.798bn value of the portfolio. BPO also manages the properties and has an option to purchase them at any time.

**Building Services:** Lifts - Otis Elevator Company Pty Ltd (11 lifts).

**Managing Agent:** Jones Lang LaSalle (Sydney)

**Street Frontages:** 101.9m (334ft 3in) to Sussex Street; site area 2,370 (25,570 sq ft).

**Site Area:**  
2,370 sqm

**Title Details:** Folio identifiers 601/1052124A and 601/1052124B.



Photo: CITYSCOPE

Photo: Cityscape



SYDNEY CITYSCOPE, map 1A property 20 01 01 00 00

Text View

Street Address: 225 George Street, Sydney

Building Name: Grosvenor Place

Description: Grosvenor Place, a 44-storey premium grade office complex, on a site which also incorporates and integrates restored heritage buildings, the 3-storey Exchange Courtyard (24-20 Grosvenor Street), the 4-storey Royal Naval House (32-34 Grosvenor Street), the 4-storey former Brooklyn Hotel (229 George Street), a 4-storey commercial building (231 George Street) and the 6-storey Johnson's Building (233-235 George Street). Stage 1 of the office building (37,450 sqm) was completed early 1987, Stage 2 (21,130 sqm) mid-1987, and Stage 3 (21,518 sqm) early in 1990. Total net lettable area of the office complex is 85,452 sqm, including 2,406 sqm of retail space. The building comprises a 41-storey double quadrant with a central lift core - each level providing about 1,800 to 2,000 sqm of column free office space. There are 5 levels of basement parking for 566 cars, a small cafe and a bistro. A new enclosed cafe was added early in 1976. External refurbishment of Royal Naval House was completed late 2006. The architect, Harry Seidler & Associates, was awarded the 1991 Surman Award for Public Buildings. The builder, Concrete Constructions, was awarded an Engineering Excellence Award by the Sydney Division of the Institution of Engineers. In May 2008, a new, around-the-clock security surveillance system was installed throughout the building. The food court and rear lift-by were refurbished in 2009. The food court was enclosed and a new security room was constructed on the lower plaza level. Designer for the refurbishment was Harry Seidler & Associates. Builder for the refurbishment was Bui.

NABERS: Energy without Green Power 3.5 stars, Water 3.5 stars (rating expiry - 14/06/2012, scope - base building).

Historic Listings: The development retains the 3-storey Exchange Courtyard (24-20 Grosvenor Street), the 4-storey Royal Naval House (32-34 Grosvenor Street), the 4-storey Brooklyn Hotel (229 George Street), a 4-storey building (231 George Street) and the 6-storey Johnson's Building (233-235 George Street). The Exchange Courtyard (formerly Federation Hall) was built circa 1893-90. It is a 3-storey building built in late Victorian Style. An extension to the building was designed by Scott and Green architects and completed in 1923-24. Royal Naval House was built circa 1893. It is a 4-storey building built in Federation Free Classical Style and was designed by architect Varney Parkes. An extension designed by Government Architect W. L. Vernon was added in 1937. The Brooklyn Hotel was built circa 1912. It is a 4-storey building with a brick and sandstone facade and was built in Federation/Art Nouveau style. 231 George Street was built circa 1914-15. It is a 4-storey brick and sandstone building between the Empress Hotel and Johnson's Building. The building was built in Federation Free Style.

Johnson's Building was built circa 1912. It is a 6-storey Edwardian brick-clad building built in Federation Free Style. The building is notable for its vertical emphasis provided by the narrow pilasters which divide the facade between the narrow windows.

In September 1985 these Edwardian buildings suffered extensive fire damage and restoration was subject to assessment by engineers. The Heritage Council opposed demolition. In 1986 restoration began. In May 1987, the developers unveiled plans to demolish the buildings to make way for a \$1,500,000 Bicentennial Square. However, in November 1987, the Sydney Cove Redevelopment Authority ruled that the developer had to restore these buildings as originally planned. Since then all the buildings have been restored and incorporated into the Grosvenor Place development.

The buildings fall within the Rocks Urban Conservation Area as classified by the National Trust and listed on the Register of the National Estate. The Brooklyn Hotel, 231 George Street and the Johnson's Building were classified by the National Trust and listed on the Register of the National Estate in 1981. The Brooklyn Hotel was listed on the State Heritage Register No 01533 in May 2002.

231 George Street was listed on the State Heritage Register No 01540 in May 2002.

The Exchange Courtyard was listed on the State Heritage Register No 01541 in May 2002.

The Johnson's Building was listed on the State Heritage Register No 01554 in May 2002.

The Royal Naval House is listed on the State Heritage Register No 01574 in June 2002.

Tenant List: Amundi Asset Management Australia Ltd, Bell Patten Securities, BlackRock, Blake Dawson Waldron, Capgem Business Advisory, Colliers International, Deloitte Touche Tomes, EY, former Hodgson, Govanna's Restaurant, and Pizzina, Grosvenor Place Management, JMA Asia Pty Ltd, JPM Securities Ltd, Truist Australia Ltd, JP Morgan, M&M Financial Australia, Matthews Capital Partners, NBS Financial Services Consulting Pty Ltd, Reuters Bar, Scarsdale Ragnur, Executive Search and The Brooklyn Hotel Pty Ltd.

Owner: The site is owned by the Sydney Harbour Foreshore Authority. Leased for 99 years to October 27, 2098 to Invesco Property Group, Cox 4160 GPO, Sydney, NSW 2001, with a 30 per cent share, and Europa Funds Management Ltd on behalf of Grosvenor Place Holdings Trust, with a 50 per cent share and Australian Reward Investment Alliance, GPO Box 1937, Canberra, ACT 2600, with a 20 per cent share. Sydney Harbour Foreshore Authority is a NSW Government statutory authority subject to the control and direction of the Minister for Planning. Invesco Property Group, formerly listed on the Australian Stock Exchange, was delisted in September 2007 following its takeover by Morgan Stanley Real Estate, part of global merchant bank Morgan Stanley. Grosvenor Place Holdings Trust is owned by Commonwealth Property Office Fund and Direct Property Office Fund, each with 50 per cent share. The Commonwealth Stock Exchange Trust has been owned by a wide spread of investors since it joined the Stock Exchange Trusts after a public issue in April 1990. It is managed by Commonwealth Managed Investments Ltd. Australian Reward Investment Alliance (ARIA) is a super fund for Australian Government employees. The fund was formed from the merger of the Public Sector and the Commonwealth Super Schemes (FSS/CSS) and manages \$17 billion of superannuation assets on behalf of Australian Government employees. The fund is managed by ARIA Funds Management Ltd. Direct Property Investment Fund is an unlisted real estate trust managed by Colonial Trust State Property Ltd. It was formed in 2002 by the merger of Commonwealth Property Investment Fund and Colonial Trust State Wholesale Direct Property Fund.

Sales History: Aust V. M. Management Ltd purchased a 30% share of the project and the 99 year lease for \$243,100,000 from the Commonwealth Superannuation Fund Investment Trust in May 1998 for the Grosvenor Trust. The amount raised for the purchase by Aust V. M. Management Ltd was \$24,000,000. This included purchase consideration of \$23,000,000, contribution for corporate guarantee \$1,000,000 (making amount paid to the vendor \$24,000,000).

Photo: Cityscape



Photo: Cityscape



Photo: Cityscape



Photo: Cityscape



Photo: Cityscape



Photo: Cityscape



Photo: Cityscape

expenses of acquisition \$3,850,000 and establishment costs \$2,240,000. The remainder \$4,740,000 was retained by the trust. The building was then owned 50% by the SFH, 30% by Aust-Wide trusts, and 20% by Kern Corporation. In March 1990 it was announced that Aust-Wide Management would buy Kern Corporation's 20% share in the building for \$150,000,000, with controls being exchanged by May 31, 1990. Aust-Wide said that the cost of this purchase would be about \$200,000,000, after other expenses including Kern's completion of the George Street Historic Buildings restoration. However, this sale did not proceed and in August 1992 Kern's 20% share was sold available Commonwealth Property Fund bought the 20% share from Kern Corporation's receiver in January 1994. The price shown on the transfer was \$52,000,000. In March 1994, BT Australia increased its holding of units in the Grosvenor Trust from 22 per cent to 51 per cent in two subsequent bids. The property was valued at \$1,062m in July 1990; at \$817m in March 1991; at \$725m in September 1991 and at \$606m in December 1991. At March 31, 1992, the building was valued by two different valuers for two of the past owners; the valuations were \$600m and \$555m. The property was valued at \$534m in June 1992, at \$520m in June 1994 and at \$545m in June 1995. Grosvenor Trust's 50% interest was valued at \$120m in October 1993, at \$144m in June 1994, at \$162m in June 1995, again at \$162m in June 1996, and at \$165.5m in June 1997 and again in June 1998. The leasehold of the Eureka Hotel was auctioned on September 29, 1995, not sold; bought for approximately \$800,000 in December 1995; agent Knight Frank Hooper Hotel & Tourism. In March 1997 Grosvenor Trust changed its name to the BT Office Trust. The Bankers Trust Group progressively reduced its holding of units in BT Office Trust from 53 to 30 per cent in 1997. In March 1999, BT's 50% share was sold to the Trust to European, Asian and Australia institutions for \$126m, reducing its interest to 17.8 per cent. In July 1999 BT Office Trust's 30% share was valued at \$262.5m and the building was valued at \$475m. The Sydney Cove Authority's 50-year head lease was for sale by expressions of interest closing October 1998; not sold. In July 1999, the SCA's future income from the head lease was bought by the owners of the ground lease, BT and CFM, for \$82,750,000; agent CB Richard Ellis. The 71-year term remaining on the ground lease was extended to 99 years, with no extra ground rental required, as part of the transaction. BT's 30% share was valued at \$164.5m in June 1999, at \$202.0m in June 1999, at \$207.2m in June 2000, at \$220.5m in June 2001, at \$223m in June 2002. BT Office Trust changed its name to Europe Office Fund in October 2003. EOF's 30% share was valued at \$733.225m in June 2005. Grosvenor Place Holdings Trust bought 50 per cent of the leasehold from Commonwealth Property Fund for a total of \$391,971,000 in September 2003. Investa Property Group acquired its 30 per cent interest with the takeover of Principal Office Fund in August 2003. In its 2003 annual report, Investa attributed a total cost of \$231,457,000 to the acquisition of this 30 per cent share. Investa's 30 per cent share was valued at \$234.6m in September 2004. The property was valued at \$245m in March 2005. The 25 per cent interest owned by Commonwealth Property Office Fund through its ownership of half the shares in Grosvenor Place Holdings was valued at \$258.75m in June 2007 and at \$250m at a cap rate of 6.63% in June 2010. The 20 per cent interest of the leasehold owned by Commonwealth Property Fund was bought for \$188,529,911 in June 2007 by Australian Forward Investment Alliance. Valued at \$1.1bn in December 2008 and at \$1.1bn in July 2009. The 20 per cent owned by Commonwealth Property Fund was valued at \$245.5m in December 2009 at a cap rate of 6.72%. The 25% owned by Commonwealth Property Office Fund was valued at \$250m at a cap rate of 6.63% in June 2010 and in December 2010.

**Building Services:** Lifts - Grosvenor Building - Otis Elevator Company Pty Ltd (25 Hys) Kinman's Building - Otis Elevator Company Pty Ltd (1 Hys); and in the foreground - Otis Elevator Company Pty Ltd (3 Hys).

**Managing Agent:** Jones Lang LaSalle (Sydney)

**Street Frontages:** 108.34m (356ft 8in) to George St, 67.82m (222ft 10in) to Circular St, 171.66m (429ft 0in) to Harrington St, 40.65m (133ft 4in) to Essex St.

**Site Area:**  
7,160 sqm

**Title Details:** Auto consd 8529-210. Leases are in Lease Folio 11/121

View Cityscope Map (View Google Map)

Hide photo



Photo: CITYSCOPE

View as Thumbnail

SYDNEY CITYSCOPE, map 7 property 3B (Full View)

Text View

**Street Address:** 1 Farrer Place, Sydney

**Building Name:** Governor Macquarie Tower

**Description:** Governor Macquarie Tower, a 46-level tower including 25 levels of office space, completed in 1994. There are 10 basement levels under the the Governor Phillip and Governor Macquarie Towers, with parking space for 654 cars (including 250 public spaces). The Governor Phillip and Governor Macquarie Towers were erected in conjunction with restoration and development work on properties 1 and 2. Net lettable area of Governor Macquarie Tower is 30,476 sqm. Typical floor plates are 1,200 sqm. Engineers were Ove Arup & Partners; architects Denton Corker Marshall; builder Grocon.

**NABERS:** Energy 4.5 stars, Energy without Green Power 3.5 stars (rating expiry - 03/08/2012, scope - base building).

**Historic Listings:** Listed on the Register of the National Estate as part of the first Government House site, the boundaries being the centre of Young Street and the footpaths in Bridge and Phillip Streets.

**Tenant List:** Australian Olympic Committee, Department of Premier and Cabinet, NSW Treasury, Piper Alderman Lawyers and Walker Corporation Pty Ltd.

**Proposals:** D/2007/493 - renovation to level 50 at an estimated cost of \$1,100,000.

**Owner:** Properties 3A, 3B, 3C and 3D are owned by Perpetual Trustee Co Ltd on behalf of DEXUS Property Group, Level 9, 343 George Street, Sydney, NSW 2000, with 50 per cent, Australian Prime Property Fund, c/- Lend Lease Corporation, 30 Hickson Road, Millers Point, NSW 2000, with 25 per cent, and General Property Trust, Level 52, 19 Martin Place, Sydney, NSW 2000, with 25 per cent. DEXUS Property Group, formerly DB RREEF Trust, is listed on the Australian stock exchange and is managed by DEXUS Funds Management Ltd. It was formed in 2004 by stapling together units in three listed trusts and some unlisted funds then managed by Deutsche Bank. Australian Prime Property Fund (APPF) comprises three unlisted wholesale pooled property funds, APPF Retail, APPF Commercial and APPF Industrial. Units in APPF are owned by about 18 Australian and overseas institutions. The funds are managed by Lend Lease Real Estate Investment Limited. Units in General Property Trust are stapled to shares in its management company, GPT Management Holdings Ltd, and these are traded together on the Australian Securities Exchange as securities in GPT Group. Responsible entity for the trust is GPT RE Ltd. The group has a wide spread of securityholders, the largest being Deutsche Bank with about 15%, Stockland Group with about 10%, and Government of Singapore Investment Corporation with about 7%.

**Sales History:** The sites of properties 3A, 3B, 3C and 3D were acquired by the developer, the State Authorities Superannuation Board, in several parcels between February 1976 and June 1991. The majority of the Governor Phillip Tower site (including the Museum site on map 7 property 3D) was bought for \$100,026,131 in December 1988 by the State Authorities Superannuation Board. The former Raphael Place and some land adjacent to the Phillip Street Terraces was purchased for \$24,000,000 in June 1990. In late 1990 the Commercial Investment Trust (later Deutsche Office Trust) bought a half interest in Governor Phillip Tower (map 7 property 3A), Governor Macquarie Tower (map 7 property 3B), the Phillip Street Terraces (map 7 property 3C) and the Museum of Sydney (map 7 property 3D) for \$427,500,000. This 50% was valued at \$457.5m in June 2000, at \$472.5m in June 2001, at \$477.5m in June 2002 and at \$477.5m in June 2003. The remaining 50 per cent share of Governor Phillip Tower (map 7 property 3A), Governor Macquarie Tower (map 7 property 3B), Phillip Street Terraces (map 7 property 3C) and the Museum of Sydney (map 7 property 3D) owned by the State Authorities Superannuation Scheme was bought for \$480,000,000 in December 2003 by General Property Trust and Australian Prime Property Fund. In 2004, Deutsche Office Trust was merged with three other trusts managed by Deutsche Bank to form DB RREEF Trust. GPT's 25 per cent of the properties was valued at \$275m in December 2005 and at \$319.8m in December 2006. DB RREEF Trust's half share of properties 3A, 3B, 3C and 3D was valued at \$638.8m in December 2006. In February 2008, DB RREEF Trust acquired Deutsche Bank's 50 per cent interest in its management company, DB RREEF Funds Management Ltd, for \$130 million and the trust was rebranded as DEXUS Property Group. General Property Trust's quarter-share was valued at \$309.4m in December 2009 on a cap rate of 6.57%. The 50 per cent owned by DEXUS in properties 3A and 3B was valued at \$624.7m in June 2008.

**Building Services:** Lifts - Otis Elevator Company Pty Ltd (18 lifts).

**Managing Agent:** DEXUS Funds Management Ltd

**Street Frontages:** The combined frontages for map 7 property 3A, 3B, 3C and 3D are 97.29m (319ft 2in) to Phillip St, 19.76m (64ft 9in) arc, 40.6m (133ft 2in) to Bent Street, 88.33m (289ft 9in) to Young St.

**Title Details:** Folio identifiers 104/836610A & 104/836610B. Leases are in Lease Folio LF377.

SYDNEY CITYSCOPE, map 7 property information



[View on the street]

**SYDNEY CITYSCOPE, map 7 property information**

**Text View**

**Street Address:** 1 Farrer Place, Sydney

**Building Name:** Governor Phillip Tower

**Description:** Governor Phillip Tower, a premium grade 64-level tower including 40 levels of office space and 10 basement levels, completed in 1993. Part of the tower is built above the Museum of Sydney. The building is 277m high with typical floors ranging from 2,400 sqm to 1,600 sqm. There are 10 basement levels linking the Governor Phillip and Governor Macquarie Towers, with parking space for 654 cars (including 250 public spaces). The Governor Phillip and Governor Macquarie Towers were erected in conjunction with restoration and development work on properties 1 and 2. The lettable area of the Governor Phillip Tower is 55,266 sqm. Built at an estimated cost of \$300 million. GFA King & Partners were presented with a merit award in 1993 by the Association of Consulting Engineers Australia for practical and innovative engineering on the Governor Phillip Tower, including a massive cantilever 10 storeys above street level. In 1994 the original findings of Governor Phillip's 1788 house. Architects Dent in Collier Marshall were presented with the Sumner Award for a public or commercial building in July 1994, and shared the Commercial Architecture Award presented at the National Awards in November 1994, by the Royal Australian Institute of Architects. Builder Cronin won an Award for Excellence in the Master Builders Association of NSW Awards in December 1994. In July 1995 the building won the EDNA NSW award.

**NABERS:** Energy 4.0 (High Energy with Nat Green Power 3.0 stars) (retire expiry 03/08/2017, scope - base building)

**Historic Listings:** Listed on the Register of the National Estate as part of the first Government House site, the boards being the site of Young Street and the footpaths in George and Phillip Streets.

**Tenant List:** Rodrick B. Strong's Australia, HRJ, Morrison G Co, Matlison, Captain James, Merrill Lynch (Australia) Pty Ltd, New South Wales Treasury Corporation and Stonebridge Group

**Leasing:** Office space of 1,550 sqm for lease in A/cw/1 2011; agent Colliers International Head Office

**Owners:** Properties 2A, 2B, 2C and 2D are owned by Propertium Trustee Co Ltd on behalf of DEWUS Property Group, Level 9, 343 George Street, Sydney, NSW 2000, with 50 per cent, Australian Prime Property Fund, or Land Lease Corporation, 20 Hickson Road, Sutherland, NSW 2200, with 25 per cent, and General Property Trust, Level 22, 19 Martin Place, Sydney, NSW 2000, with 25 per cent. DEWUS Property Group, formerly DB RREEF Trust, is listed on the Australian stock exchange and is managed by DEWUS Funds Management Ltd. It was formed in 2004 by bringing together units in three listed trusts and some unlisted funds then managed by Deutsche Bank. Australian Prime Property Fund (APPF) comprises 100% of the wholly owned pooled property funds, APPF Real 1, APPF Commercial and APPF Industrial. Units in APPF are owned by 18 Australian and overseas institutions. The funds are managed by Land Lease Real Estate Investment Limited. Units in General Property Trust are listed to shares in its management company, GPT Management Holdings Ltd, and those are listed together on the Australian Securities Exchange as well as in a GPT Group responsible only for the trust is GPT RE Ltd. This group has a wide spread of security holders, the largest being Deutsche Bank with about 15%. Stoneford Group with about 10% and Government of Singapore Investment Corporation with 20% at 7.

**Sales History:** The sites of properties 2A, 2B, 2C and 2D were acquired by the developer, the State Authority Superannuation Board, in several parcels between February 1976 and June 1991. The majority of the Governor Phillip Tower site (including the Museum site on map 7 property 2D) was bought for \$100,026,131 in December 1988 by the State Authority Superannuation Board. The former Raphael Place and some land adjacent to the Phillip Street Tenants was purchased for \$24,600,000 in June 1990. In late 1993 the Commercial Investment Trust (later Deutsche Office Trust) bought a 50% interest in Governor Phillip Tower (map 7 property 2A), Governor Macquarie Tower (map 7 property 2B), the Phillip Street Tenants (map 7 property 2C) and the Museum of Sydney (map 7 property 2D) for \$427,800,000. The 50% was valued at \$472.5m in June 2003, at \$472.5m in June 2003, at \$472.5m in June 2003 and at \$472.5m in June 2003. The remaining 50 per cent share of Governor Phillip Tower (map 7 property 2A), Governor Macquarie Tower (map 7 property 2B), Phillip Street Tenants (map 7 property 2C) and the Museum of Sydney (map 7 property 2D) owned by the State Authority Superannuation Board was bought for \$180,000,000 in December 2002 by General Property Trust and Australian Prime Property Fund. In 2003, Deutsche Office Trust was merged with three other trusts managed by Deutsche Bank to form DB RREEF Trust. GPT's 25 per cent of the properties was valued at \$275m in December 2003 and at \$319.6m in December 2005. DB RREEF Trust's 50% share of properties 2A, 2B, 2C and 2D was valued at \$610.0m in December 2005. In February 2007, DB RREEF Trust acquired Deutsche Bank's 50 per cent interest in its management company, DB RREEF Funds Management Ltd, for \$130 million and the trust was renamed as DEWUS Funds Management. General Property Trust's 25% share was valued at \$463.4m in December 2006 on a cap rate of 7.57%. The 50 per cent owned by DEWUS in properties 2A and 2B was valued at \$924.7m in June 2008 and at \$610m in December 2008.

**Building Services:** LRS - City Elevator Company Pty Ltd (26 111)

**Managing Agent:** DEWUS Funds Management Ltd

**Street Frontages:** This contained frontage for map 7 property 2A, 2B, 2C and 2D are 97.29m (319ft 2in) to Phillip St, 19.24m (63ft 0in) and 40.6m (133ft 2in) to Gill Street, 88.33m (289ft 9in) to Young St.

**Title Details:** Foto Numbers 104836618 & 104836619. Leases are in force for 11/27.

First Prev Next Last

Exit Print View

Print

View Google Map

1x1 Remove

SYDNEY CITYSCOPE, map 4 property 7 [Full View]

Text View

**Street Address:** 255 George Street, Sydney

**Building Name:** National Australia Bank House

**Description:** National Australia Bank House, completed in mid 1985. Winner of the BCMA award for excellence for 1985. The building comprises 3 levels of basement parking for 249 cars, a ground floor banking chamber, 29 levels of offices and 2 floors of plant rooms. The building was internally refurbished in 2010 by Buildcorp Interiors at an estimated cost of \$45 million. Work included refurbishing the foyer, relocating the NAB branch and the cafe to different parts of the lobby, creating a mezzanine level and a general upgrade of facilities. In 2010 the building had a 4.5 star NABERS Energy Rating and a 3.5 star NABERS Water Rating. Net lettable office area prior to refurbishment was 40,178 sqm. Typical floor area 1,358 sqm.

The two buildings on this block were originally developed as the World Trade Centre; stage I was the building to Lang and Jamison Streets (property 6) and Stage II was this building to George Street. This octagonal building closely follows the original Qantas plans for this site, blending with the Stage I building

**NABERS:** Energy without Green Power 5.0 stars, Water 3.5 stars (rating expiry - 11/08/2012, scope - base building).

**Tenant List:** Australian Tax Office and GE Finance and Insurance Services.

**Owner:** The property is 75% owned by AMP Capital Investors on behalf of AMP Wholesale Office Fund, Level 13, 50 Bridge Street, Sydney, NSW 2000 and 25% by Multiplex Property Funds Management Ltd on behalf of Brookfield Multiplex Property Trust, Level 15, 216 St Georges Terrace, Perth, WA 6000. Brookfield Asset Management's interest in the property is effectively controlled by Brookfield Properties Corporation through a Total Return Swap (see sales text). Brookfield Properties Corporation is listed on the Toronto and New York stock exchanges. AMP Wholesale Office Fund is an unlisted wholesale trust managed by AMP Capital Investors Ltd. AWOFF is partly (9%) owned by the AMP Capital Core Property Fund. Brookfield Multiplex Property Trust is part of the Brookfield Multiplex Group. The trust is managed by Brookfield Properties Corporation. The Brookfield Multiplex Group is a subsidiary of Brookfield Asset Management following its takeover in January 2008; Brookfield Asset Management is listed on the Toronto and New York stock exchanges.

**Sales History:** The National Australia Bank bought a 125-year leasehold for \$18,250,000 in mid 1982 from Qantas. As part of the agreement the bank leased 19 floors of the adjacent Qantas International Centre, and moved to 13 high-rise floors of this building upon completion. In 1983 the bank transferred the leasehold to the AMP Society at cost price (\$18,250,000 plus site costs). The AMP Society gained control of the site for its Statutory Fund No 1 and Statutory Fund No 2 through purchase of the freehold from Qantas for \$7,000,000 in June 1995. The AMP Office Trust (later Ronin Property Trust) floated to the stock exchange in December 1996, it paid the AMP Society \$76,250,000 for a 25 per cent share in December 1996. The building was valued at \$305m in September 1996, at \$320m in September 1997, at \$320m in October 1999, at \$325m in October 2000, at \$325m in September 2001, at \$325m in November 2002 and at \$292m in June 2003. Valued at \$292,000,000 in April 2003 and 2004. A 75 per cent share was transferred from AMP's Statutory Fund No 1 and Statutory Fund No 2 in May 2004 to AMP Wholesale Office Fund. Multiplex Group (later renamed Brookfield Multiplex Group) made a successful takeover offer for Ronin Group in September 2004 and this property was placed into the Multiplex Property Trust (later renamed Brookfield Multiplex Property Trust). The building valued at \$292m in June 2004 and at \$315m in December 2005. In a deal arranged in July 2010 and settled on September 28, 2010, Brookfield Properties (BPO) of the US and Canada acquired effective control of Brookfield Asset Management's interest in a portfolio of 16 properties in Sydney, Melbourne and Perth. The transaction was effected as a Total Return Swap, which entitles BPO to all net cash flows and changes in value of the properties. BPO paid \$1,572,000,000 for the Total Return Swap, or about 41% of the \$3.798bn value of the portfolio. BPO also manages the properties and has an option to purchase them at any time.

**Building Services:** Lifts - KONE Elevators (15 lifts).

**Street Frontages:** 59.50m (195ft 3in) to George St, 33.60m (110ft 3in) arc, 11.08m (36ft 4in) to Grosvenor St, 26.85m (88ft 1in) to Jamison St, 8.88m (29ft 2in) splay corner.

**Title Details:** Folio identifier 2/630217. Leases are in Lease Folio LF260.



Photo: CITYSCOPE

First Prev Next Last

Exit Print View

Print

ew Google Map

[x] Remove

**SYDNEY CITYSCOPE, map 8 property 8A [Full View]**

**Text View**

**Street Address:** 275 Kent Street, Sydney

**Building Name:** Westpac Place

**Description:** Westpac Place, a two tower office complex completed in 2006 and comprising a 3-level podium of 9,960 sqm; the 17-level Sussex Street tower of approximately 22,100 sqm and the 28-level Kent Street tower of approximately 40,550 sqm. Typical floor plate size in the podium is 3,160 sqm and in the interlinking tower ranges downwards from approximately 2,600 sqm to 1,200 sqm at the top levels. Total net lettable area 77,410 sqm. There are two levels of basement parking with a total of 214 parking spaces. A 650 bay car park (property 8B was built under this property as part of the development). Retail space includes a food court, childcare and banking facilities. There is a landscaped urban park of approximately 2,200 sqm located below and adjacent to the Western Distributor, and a through-site public link connecting Darling Harbour Wharves to Wynyard. The building, which features a white glass barometer on the roof, has a 4.5 star NABERS Energy rating. The developer and builder, Leighton Properties, won the 2006 NSW Urban Taskforces Development Excellence Award for this building and the MBA Excellence In Construction Award in 2006 for the best new commercial building over \$250 million and best interior fitout over \$15 million. Architect, Johnson Piton and Walker. Total estimated cost of the development was \$670 million.

For many years this site was known as the KENS site, an acronym of the surrounding street names, originally a collection of properties that included the 3-storey Waterside Workers Federation of Australia Building and the Kent Street parking station, both demolished in early 2003.

**NABERS:** Energy without Green Power 4.0 stars, Water 3.0 stars (rating expiry - 20/06/2012, scope - base building).

**Tenant List:** Breadline, Canton Express, Char Grilled Kebabs, Denlens, d'ough Espresso, Fays Pharmacy, Links Surf & Turf, Settlement Bar, Sushi, Westpac and Westpac Place Newsagency.

**Proposals:** D/2007/1225 - Interior fit out in tennancy no. 10 to be used as a cafe/restaurant was approved in August 2007.

**Owner:** Mirvac Office Trust, Level 26, 60 Margaret Street, Sydney, NSW 2000. Mirvac Office Trust, formerly Westpac Office Trust, an unlisted trust managed by Mirvac REIT Management Ltd. All units in the trust are held by Mirvac Property Trust. Units in Mirvac Property Trust are stapled to shares in Mirvac Ltd to form securities in Mirvac Group, listed on the Australian Securities Exchange. The trust is managed by Mirvac Funds Ltd, part of Mirvac Group. On completion of the development the landscaped urban park was leased to the Council of the City of Sydney for 99 years for \$1 pa and was subleased back to the trust on similar terms. The area indicated by dotted lines on the map, lot 5 DP1033719, is owned below RL19.0 by the owner of property 5, Multistar Pty Ltd.

**Sales History:** The freehold of properties 5, 8A-8H and the airspace above property 6, were bought via tender for \$55,300,000 (cd 24.11.1997, td 23.02.1998) by Multistar; agent Richard Ellis and Jones Lang Wootton. In 2000, Leighton Properties arranged an option to purchase properties 5, 8A, 8B, 8H and the airspace above property 6. In March 2003, it was announced that Westpac had formed the Westpac Office Trust to purchase these properties from Leighton. The trust contracted to buy the site from Multistar for \$57,100,000 and contracted Leighton to construct the project for \$627,500,000. Estimated market value on completion was \$670,000,000. Valued at \$820m in December 2007 on a cap rate of 5.5%; at \$805m in June 2008 on a cap rate of 5.75%; at \$730m in June 2009 on a cap rate of 6.88%; and at \$720m in December 2009 on a cap rate of 7.0%. In August 2010, this property was acquired by Mirvac Office Trust following Mirvac's acquisition all of the units in Westpac Office Trust. Valued at \$720m with a capitalisation rate of 7% in June 2010 and at \$745m with a capitalisation rate of 6.75% in December 2010.

**Building Services:** Lifts - Otis Elevator Company Pty Ltd (33 lifts).

**Managing Agent:** Jones Lang LaSalle Facilities Management

**Street Frontages:** 163.55m (536ft 6in) to Sussex Street, 62.85m (206ft 2in) to Erskine Street, 155.06m (508ft 7in) to Kent Street.



Photo: CITYSCOPE



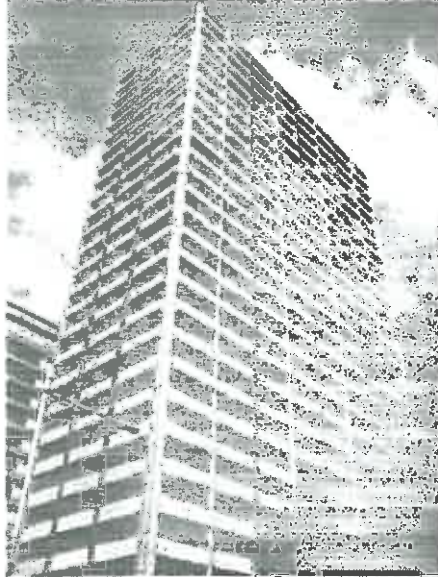
[\[View Cityscope Map\]](#) [\[View Google Map\]](#)[\[x\] Remove](#)[\[-\] hide photo](#)

Photo: CITYSCOPE

[\[View as Thumbnail\]](#)SYDNEY CITYSCOPE, map 1 property 1 [\[Full View\]](#) [\[View Leases for this Property\]](#)[Text View](#)**Street Address:** 1 Alfred Street, Sydney**Building Name:** Gold Fields House

**Description:** Gold Fields House, a 26-storey office building, completed in 1966. Comprising offices on the upper levels, a retail section at street level plus two floors of basement parking for 112 cars. Refurbished, including the removal of some asbestos, at an estimated cost of \$70 million in 1993. The facade and the interior were refurbished in April 2002. Gross floor area 32,250 sqm. Net lettable area 24,214 sqm, including 22,287 sqm office area and 1,929 sqm of retail. Typical floor space 953 sqm on the upper levels and 888 sqm on the lower levels.

**NABERS:** Energy without Green Power 1.5 stars (rating expiry - 26/07/2011, scope - base building, rating area 18,185 sqm).

**Tenant List:** Australian Wine Centre, Avivid Third-Age Living (A3L), Aviva Investors, Esenworth & Partners, Dalchristie, Domain Principal Group, Gold Fields House Centre Management CBRE, Gulf Industrial Ltd, Human Solutions Group, Japan External Trade Organisation (Jetro), Primus Telecommunications (Australia) Pty Ltd, Regus, Sturt Capital Partners, WilliamsonLegal and WPS Financial Group.

**Leasing:** Office space for lease in August 2011; agents CB Richard Ellis and Colliers International Head Office.

**Proposals:** D/2010/2029 for the demolition of the existing building and the construction of two mixed use towers of 55 storeys and 15 storeys was lodged in December 2010. The development is to include 197 apartments, retail spaces and 8 storeys of basement parking. The proposed towers have been designed by Kerry Hill Architects, who won an international competition for the One Alfred Street project in 2009. Approximate cost is \$396,880,000.

D/2007/1384 Stage 1 development application for the demolition of the existing building (except for eastern wall of basement car park that adjoins the Tank Stream) and construction of a new five star green rated residential building with ground level retail/restaurant space, six levels of basement parking for 345 cars, a 1,580sqm of public space at ground level and a pedestrian connection between Herald Square and Rugby Place, to cost an estimated \$330,792,000, was approved with deferred commencement in March 2008. Architect, Kerry Hill Architects of Singapore.

**Owner:** Valad Commercial Management Ltd on behalf of Valad Property Group, PO Box N817, Sydney, NSW 1220, with a 21% share, V-Plus Fund, c/- Valad Funds Management, Level 9, 1 Chifley Square, Sydney, NSW 1220, with a 39% share and Gold Fields Club Fund, Oude Lindestraat 70, 6411 EJ, Heerlen, Netherlands, with a 40% share. Valad Property Group is owned by Blackstone Group LP, a private equity company listed on the New York Stock Exchange. Blackstone Group LP acquired 100% of the stapled securities in Valad Property Group in August 2011 and Valad was delisted from the Australian Securities Exchange. V-Plus Fund is an open-ended wholesale investment fund, managed by Valad Property Group. Gold Fields Club Fund is fully owned by Dutch based pension fund Stichting Pensioenfond ABP. Stichting Pensioenfond ABP is the pension fund for employers and employees in the Dutch government and education sectors, and manages over \$340 billion in assets.

**Sales History:** The property, the freehold of which was then owned by the State Rail Authority of NSW, was leased to the AMP Society for 99 years beginning 1962, expiring February 1, 2061. After the building was completed in 1966, it was sub-leased to Consolidated Gold Fields Australia Ltd until June 30, 1996, but the AMP bought out this sub-lease for \$25,900,000 in June 1986. The AMP bought the freehold in 1987 for \$34,125,000 in April 1987; agent Colliers Jardine. Bought by the AMP Office Trust (later renamed Ronin Property Trust) for \$182,500,000 in August 2001, the purchase largely financed by allotting 123.9 million units to AMP Life at \$1.17 each (total value about \$150m). Valued at \$182.5 million in July 2001, at \$190 million in November 2002 and at \$192 million in September 2003. Ronin Property Trust was taken over by Multiplex Group in September 2004. This property was bought for \$274,100,000 in June 2006 by Valad Property Trust; agents CB Richard Ellis and Jones Lang LaSalle. In June 2007, Valad Property Group transferred a 39 per cent share to V-Plus Fund. In June 2008 the Valad Property Group purchased 1,390 sqm of transferrable floor space from the owners of 25 King Street (map 16, property 1), for \$556,000 for the use in the future development of this property. In July 2008, Valad Property Group sold a forty-percent interest in the property for \$136,000,000 to Gold Fields Club Fund, which is fully owned by the Dutch based pension fund Stichting Pensioenfond ABP. Valued at \$290,000,000 in December 2010.

**Building Services:** Lifts - ThyssenKrupp Elevator Australia Pty Ltd (11 lifts).

**Managing Agent:** CB Richard Ellis

**Site Area:**  
2,677 sqm

**Title Details:** Auto Consol 14908-63. Leases are in Lease Folio LF178.

## BARANGAROO DEVELOPMENT

25 November 2011

Page: 8026

**Mr JAMIE PARKER** (Balmain) [5.32 p.m.]: I will speak today on an important issue to my electorate, which goes to the heart of the planning process and the financial management of our State. Today I will make a statement on the evidence which points to a \$1 billion gift to Lend Lease by the former Government and the obligation on the current Government to act. Australians for Sustainable Development, of which I am a member, commissioned a review of major developments in the northern end of the Sydney central business district over the last 10 years.

One of the major issues raised by the review in relation to the Barangaroo development is: Has Lend Lease paid a fair price for publicly owned land at Barangaroo? As a former mayor and councillor for over 12 years I am very familiar with valuation and development issues. I am advised that true land value is largely determined by what can be built on the site, and the measure that should remain comparable from site to site is the cost of land per square metre of gross floor area. Analysis of land sales in the northern end of the city over recent years stretching from the Lend Lease Darling Quarter site at the southern end of Darling Harbour, the Goodsell building at Chifley Square, and down to Circular Quay have an average land price of \$3,183 per square metre of gross floor space.

The Auditor-General's report released on 15 June this year made it clear for the first time that Lend Lease will pay only \$1.03 billion, spread over 10 years, for Barangaroo. That report suggested that if the final value share payment does not materialise the actual payment might be significantly less. Lend Lease acknowledges that the net present value of the payments is \$500 million. Adding the \$200 million Lend Lease asserts it is committed to pay for public works in Barangaroo South produces a cash price of \$700 million paid on contract signing. The Lend Lease plan for Barangaroo has 560,000 square metres of building area, which equates to Lend Lease paying about \$1,250 per square metre of gross floor space based on a consideration of \$700 million. Lend Lease is obtaining this prime harbour foreshore land for about 38 per cent of the fair value of the land. This has cost the New South Wales Government and taxpayers somewhere between \$700 million and \$1.4 billion.

If the plan changes over time to more residential and less commercial the end result will be an even bigger lost revenue opportunity for the Government. On top of this fair value question, the true cost to the New South Wales taxpayer may be several billion dollars more, taking into account the massive transport challenges of the site as outlined in the Auditor-General's report. It is important to consider the process for arriving at this outcome, as conducted on behalf of the previous Labor Government. In 2006 Hill Thalys won an international contest for the design of Barangaroo. In due course the remaining judges were dismissed and Paul Keating was appointed as Chairman of the Design Excellence Review Panel of the Barangaroo Delivery Authority. The authority then chose to ignore the original contest by inviting Lend Lease, Mirvac and Multiplex to submit design and build solutions for the entire site in a highly restricted form of tender process. Lend Lease was awarded the contract to develop Barangaroo South with a design remarkably similar to its losing entry in

the original contest.

From the time of the award until the last election the Keneally Government refused to disclose the amount Lend Lease paid for the land or to offer any comfort that the narrow tender process achieved a fair and reasonable price for the land. Repeated freedom of information requests for the authority's board minutes to determine if the board knew of this under-market result were denied by the previous Government, and have not yet been provided by the current Government. Today I am calling on the Premier, as a matter of urgency, to: examine the Lend Lease contract for Barangaroo to establish whether it allows for a fair value review of the approved contract; outline other actions the Government will take to ensure that the true value of the land is obtained for the people of New South Wales; and review the competency of the board of the Barangaroo Delivery Authority and others involved in the tender process in approving a fair value of the public land.

Finally, I have written to the Auditor-General and call on him to thoroughly review this transaction. The evidence points to the fact that the people of New South Wales have been short-changed by an amount in the order of \$1 billion, due to a flawed tender process with this once-in-a-generation opportunity of 22 hectares of public waterfront land. It is my fear that this flawed tender process has seen a billion dollar gift from the people of New South Wales to Lend Lease. I call on the Government to act. The Government must now act to ensure that the people of New South Wales have achieved fair value for this precious piece of waterfront land.