



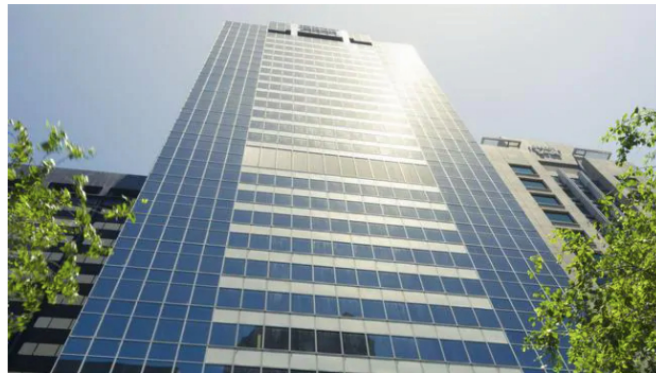
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Foreign investor Peakstone clear for Dexus Sydney tower purchase

By **BEN WILMOT**
COMMERCIAL PROPERTY
REPORTER

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The prominent A-Grade office tower at 45 Clarence Street in Sydney's CBD was built in 1990 and spans a net lettable area of about 32,000sq m.

The commercial property market has been bolstered by foreign investment authorities waving through the purchase of an office tower in the heart of Sydney.

The Foreign Investment Review Board approval will see local office landlord Dexus finalise a long-running deal to sell off an office block in Clarence Street for \$530m that was agreed to in June.

Property players have been concerned by long time frames for deals to be approved but they have argued that office blocks are not sensitive assets which raise strategic concerns.

Chinese players are also active, including Bank of China, which has chased property deals, and Chinese-government controlled conglomerate China State Construction Engineering Corporation, which has lobbed a \$200m takeover bid for Probuild, one of Australia's largest builders.

Dexus said it had settled on 45 Clarence Street with the move giving some confidence to the prospects of offshore buyers after one \$80m building sale in Haymarket, Sydney, collapsed after the buyer could not obtain approval after months of review.

The FIRB is closely assessing commercial property sales but the harshest scrutiny appears to be reserved for buildings which may be occupied by sensitive government agencies.

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The buyer was Peakstone, a privately owned, Singapore-headquartered property investment manager.

The prominent A-Grade office tower in Sydney's CBD was built in 1990 and spans a net lettable area of about 32,000sq m.

The acquisition bolsters Peakstone's portfolio of actively managed investment

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properties across Australia, including neighbouring 55 Clarence Street.

Peakstone chief operating officer Chris Khoo said the company was a long-term investor from Singapore and the deal “demonstrates its confidence in the fundamentals of Sydney’s commercial property market, as well as the broader Australian economy”.

Specialist company Artifex Property represented Peakstone on the acquisition while CBRE’s James Parry and Marc Giuffrida brokered the deal and their firm believes offshore players could play an even larger role next year.

“International capital continued to feature in Sydney and Melbourne despite borders being closed. Several new groups emerged from the co-mingled funds looking to get set in direct assets alongside domestic managers,” CBRE Pacific head of capital markets, office, Flint Davidson, said.

But they warned that many owners could seek to hold on to their towers while the market recovered. “The first half of next year is likely to offer only a moderate amount of stock as owners continue to wait for further stability in the markets. Buyer depth is likely to improve, assuming we see stability in the leasing market and taking into account conditions related to COVID,” Mr Davidson said.

BEN WILMOT, COMMERCIAL PROPERTY REPORTER

Ben Wilmot has been The Australian’s commercial property editor since 2013. He was previously a property journalist with the Australian Financial Review.



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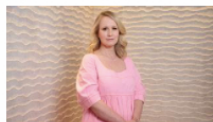


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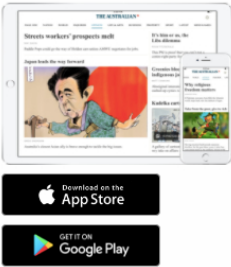
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