

Macquarie trust in \$150m office project

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The aggressive Macquarie Goodman Industrial Trust has embarked on another key development project a \$150 million office park in Sydney's high-tech district of North Ryde.

In a deal foreshadowed by The Australian Financial Review, MGI has bought a 4.1 hectare site at 12-38 Talavera Road for \$24.6 million from Gwynvill Trading.

The deal was brokered by CRI Australia and MGI has agreed with CRI to manage development of the 40,000 sq m office park.

It will be developed in three stages, with building group Barclay Mowlam starting immediately on the \$78.5 million first stage: two towers covering 20,000 sq m.

Computer Sciences Corporation has precommitted to lease them for 10 years at \$6.4 million a year. MGI said the deal would give it a yield after costs of 8.2 per cent.

CSC will move in upon completion expected in November 2003.

CRI and MGI plan to develop a further two towers on the site subject to customer inquiry.

MGI chief operating officer David van Aanholt said some of MGI's existing tenants had expressed interest in the developments.

MGI's new site adjoins its 2.3 hectare Talavera Business Park at which it has 12,000 sq m in surplus floor space available for development. "We can have a look at whether we transfer that across to the property we've just acquired," Mr van Aanholt said.

He said MGI was considering consolidating the two sites down the track.

The project will be funded via MGI's existing debt facilities and its dividend reinvestment plan. Mr van Aanholt said the development would lift MGI's office-park assets from 25 per cent to 30 per cent of its portfolio.

"Which is about where we would like it to be," he said.

MGI has been particularly active in recent months.

Last month, it announced plans to raise up to \$140 million through the issue of reset preference shares. The offer opened earlier this week.

Before its latest purchase, it had racked up a shopping bill of nearly \$150 million since the beginning of the year.

Last month it bought the ResMed Holdings offices and warehouse in North Ryde for \$34 million. In March, it announced the \$76 million purchase of the Binary Centre, also at North Ryde, from the East Asia Property Group.

Also in March, MGI paid \$4.2 million for Lot 3 in Sydney's Lidcombe Business Park. In February, the trust agreed to partner the Uniting Church Trust Association in a planned \$500 million-plus, high-tech office and industrial campus at Homebush in Sydney's western suburbs, agreeing to pay \$33 million for a half stake in a collection of five sites.

MGI has not been alone in its focus on North Ryde in recent times. The area has seen a high level of activity so far this year.

Late last month, ICA Property Group bought an office building at 5 Byfield Street in North Ryde for \$3.3 million.

In March, property syndicator **Century Funds Management** acquired an office building at 80 Waterloo Road for \$18.835 million.

In February, Fujitsu Australia reportedly bought a North Ryde data centre, which had been constructed at a cost of \$75 million, from failed internet application hosting company Exodus Inc.

Also in February, Deutsche Industrial Trust snapped up a 75 per cent stake in Foundation Macquarie Park Trust the owner of high-tech business park Foundation Macquarie Park in North Ryde for \$83.25 million.