

CorVal poised for \$85m Canberra purchase

Ben Wilmot

Sydney-based fund manager CorVal is close to buying the half stake in the Caroline Chisholm Centre in Canberra being sold by Record Realty receiver KordaMentha in a deal valuing the complex at about \$85 million.

CorVal, which is backed by property investor Andrew Roberts, best known as the former head of Multiplex Group, has flagged plans to launch a series of syndicates this year and is stocking up with new properties.

CorVal, with former Multiplex executives Ian O'Toole and Rob Rayner at the helm, has also flagged plans to attract more institutions to support the group's activities.

CorVal has a good history with Canberra properties. It acquired Canberra's Industry House in the middle of the property crunch for \$123 million.

Mr Roberts bought the property and a syndicate owning a share was then sold through financial planners.

The group is now raising capital for another unlisted fund, CorVal Property Trust No. 2. It owns a half interest in the Red Cross headquarters in Alexandria and a small office in Canberra occupied by the Department of Education, Employment and Workplace Relations.

Mr Roberts bought the Red Cross centre from Goodman Group during

the global financial crisis. This year he also bought a \$65 million Coles distribution centre in Melbourne.

KordaMentha has already sold a series of towers out of the Record Realty portfolio. It has sold properties in Melbourne's St Kilda Road and in Margaret Street, Brisbane, and global property manager RREEF is in due diligence to buy Sydney's Exchange Centre for about \$190 million.

The Canberra building is co-owned by the Singapore-listed Frasers Commercial Trust, which had been considered a potential buyer. The Singapore fund holds its stake in the Caroline Chisholm Centre at \$95 million.

The complex was purpose designed as the National Headquarters for The Department of Human Services, formerly known as Centrelink.

The department has a lease for 18 years from July 2007 with 3 per cent annual reviews.

The premium-grade, five-storey, free-standing office building was completed in 2007 by Multiplex. The entire complex has a passing net income of \$14.41 million and it has a net lettable area of about 40,244 square metres.

John Marasco and Jim Shonk of Colliers International are marketing the property, but declined to comment.

A sale would be the city's largest this year and would indicate interest from both local and international groups.