

Property Commercial Market

Capital Gain

Hugh Martin



An artist's impression of the Botanica office park in Burnley.

Nelson eyes Nauru 'column'

As the signatures of RMAC consortium Kingpins Guy Nelson and Andrew Rettig dry on the contracts for their Thursday night deal with Rabinov Trust for the sale of three Richmond office buildings for \$115 million, talk is growing as to where the duo will next spend their hard-earned.

The offloading by the consortium, comprising Rettig's R. Corporation and Macquarie Bank, of half of its Botanica office park, after purchasing the site for \$47.5 million a little more than a year ago, is seen by some as possible capital raising.

Word has it that RMAC could be a contender for the Republic of Nauru's former salute to superphosphate, Nauru House, which is soon expected to be sold after falling into the control of receiver PPB on behalf of mortgagee GE Capital, which is owed about \$240 million by the tiny Pacific nation.

However, it was GE Capital's generosity through an agreement to establish at Botanica its Asia-Pacific headquarters for its consumer finance arm, not to mention the State Government's planning approval for a \$200 million commercial development on the site, that helped present RMAC with its windfall.

According to Mr Nelson, the deal is merely another "decisive play"



Nauru House, a possible purchase target for RMAC.

by Macquarie and follows hot on the heels of its Orica House triumph last year.

He refused to comment on speculation over Nauru House. But as the rumoured runner-up in the bid to buy Axa's Collins Street headquarters, where industry consensus has pegged ISPT as the recipient, Mr Nelson and his development off-sider Mr Rettig are seen to be keen to make a deal happen soon.

Tie just a front

It could be just a Melbourne thing — coffee meetings, seasonal weather and being hopeful about the CBD office market — but it seems things in the property industry just don't get opened like they used to.

This is now a city where shopfitters mingle with construction workers, or

high-rise apartment buyers move into their new apartments before the floors above them are completed.

Then there's the other extreme, where staff are in new premises for months before arriving one day to find trays of sandwiches, politicians and engraved plaques in the foyer.

Such was the case at chateau NAB@Docklands, officially declared open this week by Victorian Premier Steve Bracks even though staff have been in there for most of this year. Still, the NAB is justifiably proud of its hi-tech, campus-style building, which will have 3500 workers on site by the end of the year.

It was remarked on by Mr Bracks and NAB Australia chief executive Ahmed Fahour that the colourful tie worn by the project's principal architect, Bliqh Voller Nield's James Grose, mirrored the cube facade of the building.

Mr Grose has previously provided Capital Gain with several cerebral explanations for the facade — controversial when unveiled — including how its 16 colours reflected Dockland's history and the complex nature of cities in general.

There was also something about it being "an optimistic statement about change, about diversity and about the vitality of people".

But this week he revealed a more practical reason: cost.

During a building tour, Mr Grose said the NAB project team had decided it wanted to spend more on the inside, where people would "live", over an expensive granite-rendered building face seen on



Premier Steve Bracks jokes with James Grose about his tie.

PICTURE: KEN IRWIN

some CBD office buildings designed purely as investments.

However, NAB and developer LendLease were tight-lipped about whether NAB will take up an option on the third site.

NAB's executive general manager (people and culture), Lynne Peacock said nothing had been decided, despite a fast-approaching deadline of the end of the year.

Helen Westerman.

An Axa to grind

With the dust apparently settling after the first stage of global finance and insurance giant Axa's bid to relocate from its ageing Collins Street headquarters, with industry super fund ISPT being tipped as the likely buyer of the site, round two is seen to be heating up.

Axa's hunt for a new home has long favoured Australian Super Development's Grand Central bombsite at the corner of Bourke and William streets. With ASD's parent company, construction industry superannuation fund CBUS, being an ISPT shareholder, the two are seen to present Axa with a possible Collins Street exit and a new home.

But the weight of speculation this week has plugged legal firm Phillips Fox's soon-to-be-vacated floors at the top of the Investa property trust-owned 120 Collins Street trophy tower.

Such as move would see Axa maintaining its Collins Street presence with the shift, according to one observer, fitting like a hand in a glove.

But the dark horse in the deal remains Developer Dan's (Grollo) interest in the Batmans Hill precinct in Docklands. Word has it that he could have some influence in the outcome of Axa's house hunt considering his interest in Australian Property Network (APN), which was revealed late in the Jones Lang LaSalle-managed campaign to have a possible option on the site.

The discovery of the option issue is said to have left certain industry figures "not happy, Jan" given that APN has the right to make a counter-offer on the building.

While it could find itself coughing up extra cash after first believing it was in the running, it remains unknown whether APN is keen to maintain its interest in the property.