

SC Capital's pre-sell plan



An artist's impression of SC Capital's planned tower in Bligh Street, Sydney

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Singapore-based SC Capital will pre-sell its planned \$700m mixed-use hotel and office tower in the heart of Sydney in what is being pitched as the marquee offer of this half.

The hospitality-anchored project, which was approved last month, will soar 59 storeys and be the first new five-star hotel in the city's core precinct for more than two decades.

The city's hotel stock is under scrutiny due to planning chaos that has enveloped a planned 66-storey tower above The Star casino in Pyrmont, where NSW Premier Gladys Berejiklian intervened last month.

The city is facing a shortage of new top-class rooms at a time when the dollar is low, potentially spurring tourism inflows. A sale of the luxury project, which is being offered on a turn-key basis, would also set benchmarks as few such developments have been undertaken in Australia.

The proposed skyscraper will

rise 226m, making it the city's tallest hotel. The 421-room property had been mooted as a Hyatt Andaz hotel, complementing the chain's Park Hyatt Sydney.

But it will be offered as vacant possession, allowing for both rival chains and deep-pocketed Asian hotel owner-operators to make plays for the project.

The site is also likely to appeal to office buyers, including local real estate trusts that may seek to convert the tower entirely to office use or to significantly boost the portion of office space.

Just last month the listed Charter Hall and Abacus trusts bought a Sydney tower overlooking Hyde Park for \$630m for an office repositioning.

That tower, at 201 Elizabeth Street, was sold by Dexus and Perron Group and had a scheme for a five-star hotel and luxury apartments.

The SC Capital tower, slated to be completed in late 2022, will sport conference facilities, "sky-level" food and beverage offerings, co-working space and 5810sq m of A-Grade offices.

The site is now occupied by the 17-storey office building Bligh House, which SC Capital and local manager Fortius picked up for \$68m in 2015.

SC Capital Partners Group chairman Suchad Chiaranussati has said the group had a vision for Sydney's pre-eminent luxury lifestyle hotel and office development and it will be topped by a rooftop restaurant and bar with harbour views.

Savills' Michael Simpson, Vasso Zographou and Ben Azar and McVay Real Estate's Sam McVay and Dan McVay will handle the sale.

Mr Simpson said the mixed-use development would drive competition among prospective buyers. "Mixed-use projects are favoured by investors and end-users for the diversity of income streams they provide and the enhanced upside potential. They are very popular in Asia," he said.

Mr McVay said the property was unencumbered by a hotel management agreement, "enabling complete flexibility for a purchaser".