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Management rights to set towering record

Larry Schlesinger

The management rights to Soul, the enormous Surfers Paradise tower that fell victim to the collapse in Gold Coast apartment prices after the global financial crisis, have been listed for sale by receivers and managers PwC and is expected to fetch a record price.

The previous record for Gold Coast management rights was \$15.5 million paid by an investment syndicate in 2010 for the family-oriented Turtle Beach holiday resort at Mermaid Beach.

Rights for Soul, a five-star resort with numerous amenities and facilities, are expected to fetch more.

The 77-level tower was developed by father and son team Shaun and Graeme Juniper, who sold around \$400 million worth of apartments off the plan between 2006 and 2008, including a record of \$16.85 million for a high-rise penthouse.

The tower – the second-tallest on the Gold Coast behind Q1 – was built by Grocon for \$850 million and completed in 2011. It fell into receivership in 2012 when more than 100 apartments bought during the boom were not settled by their purchasers.

The last parcel of debt was snapped up Bank of America Merrill Lynch from a consortium including Morgan Stanley, National Australia Bank and

Soul will be of significant interest to serviced apartment, hotel and timeshare operators, investment and private equity groups, large private management rights operators, and overseas investors.

Glenn Millar, Resort Brokers

ING, who had appointed Michael Fung, Derrick Vickers and Greg Hall from PwC as receivers in October 2012.

Initially a Sea Temple resort operated by Accor Hotels, it has traded as Soul Surfers Paradise since November 2013 through the now listed Mantra Group, who were appointed as caretaker managers by the receivers.

Of the 278 apartments in Soul, about 170 units are part of the holiday letting pool.

The sale of the management rights is being handled by Glenn Millar and senior broker Alex Cook from Resort



Soul apartments is the second-tallest tower on the Gold Coast behind Q1.

Brokers Australia, who will run an international expressions of Interest campaign until April 13.

The management rights include the holiday-letting rights and caretaking business, and associated real estate, which includes the reception and back offices, the two-hatted Seaduction restaurant, conference centre, storage space and maintenance, staff and housekeeping rooms.

Mr Millar said he expected the

campaign to attract widespread interest. "Few apartments in the residential tower now remain unsold, giving stability to the letting business, and the letting pool has now grown to over 170 apartments," he said.

"Soul will be of significant interest to serviced apartment, hotel and timeshare operators, investment and private equity groups, large private management rights operators, and overseas investors."

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