

Abacus, KKR and Riverlee Group sell World Trade Centre in Melbourne



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One of the world's largest private equity groups, a wealthy investor and an ASX listed property fund have sold the World Trade Centre in Melbourne for \$267.5 million, gaining a \$99.5 million capital increase in just over two years.

Abacus Property Group, global private equity firm KKR and privately-owned Riverlee Group have sold the three-tower complex on the north bank of Yarra River in Melbourne.



The World Trade Centre has changed hands for \$267.5 million. Photo: Nick Lenaghan

The buildings are occupied by Victoria Police who are slated to move to a new home being built by industry super fund developer Cbus at the north end of Spencer Street.

The World Trade Centre sold on a yield around 6.5 per cent. It was purchased by private interests with connections to Malaysia.

It was developed by wealthy property investor Clement Lee who sold 70 per cent of the complex to Abacus and KKR in 2014 for \$120.4 million on an initial yield of 9.3 per cent.

The deal will end Mr Lee's long association with north bank site.

He sold another large chunk once occupied by the Convention Centre that was owned in a joint venture with Eureka Funds Management to a private Chinese developer Nuway Wy for about \$100 million.

Nuway Wy has plans for a massive \$500 million residential project on the land.

Abacus initiated a capital works program to improve the green-star rating of the WTC buildings and improved the occupancy of the site from 90 to nearly 100 per cent, which helped boost its capital windfall.

JLL's Robert Anderson and Paul Henley from Knight Frank brokered the deal.