



LEIGHTON PROPERTIES



GROSVENOR

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New Commercial Deal for Parramatta Property Market

Parramatta's development as a commercial hub continues to grow with the announcement today of a new \$60 million property deal by Leighton Properties Proprietary Limited and Grosvenor Australian Investment Limited.

The 50:50 joint venture has purchased a development site at 25 Smith Street in the Parramatta CBD from Silverton Limited, a subsidiary of Investa Property Group, for \$7 million. The Joint Venture partners plan to develop an eight storey, 10,000 sqm plus, A-grade office building.

While the site was sold with development approval, the joint venture partners plan to lodge an amended application to maximise development opportunities on the site.

Leighton Properties New South Wales State Manager, Mark Gray, said the purchase followed the successful \$90 million office deal at 101 George Street Parramatta, and its pre-sale to Colonial First State earlier this year.

"Parramatta is currently experiencing the lowest commercial office vacancy rate of any area in Sydney, creating a great opportunity to develop a new high quality office building in a growing business hub," Mr Gray said.

The Property Council of Australia recently reported that vacancy rates for A-grade commercial office space in Parramatta had fallen to 5.5% in contrast to the Sydney CBD where rates remain above 10%. Interest in the Parramatta commercial property market is being fuelled by State Government's commitment to the Civic Place redevelopment.

Mr Rob Kerr, Managing Director of Grosvenor, said that the development re-affirms Grosvenor's strategy of favouring the office sector for both investment and development.

"The joint-venture brings together two Groups with a strong track record in development projects and complimentary delivery skills set," Mr Kerr said.

The sale was negotiated by tender agent Knight Frank Parramatta Director, Nicholas Hogg, who said although commercial sales and leasing had been at low levels for several years, an upsurge was expected during the next two years.

"Major developments such as the \$90 million Westfield expansion, \$100 million transport interchange and \$230 million justice precinct will increase the working population in Parramatta markedly, and show a significant increase in both further commercial development and demand over the next two years," Mr Hogg said.

Sydney architects Crone Partners have been engaged to design the new office building.

Construction is expected to start in September 2005 and be complete by December 2006.

Leighton Properties currently has eight new commercial developments underway across New South Wales valued at in excess of \$1.5 billion.

For further information:

Stephen Rayleigh, LPPL, ph: 02 9925 6859

Kate Brown, Grosvenor, ph: 02 9251 1859

Nicholas Hogg, Knight Frank, ph: 0416 000 888