



30 Aug 2017  
Author: Helen Shield  
Article type: Publication  
Page: 41  
West Australian, The  
Readership: 576000  
AVE: \$3404.41  
Circulation: 149168

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# GDI Property buys Westralia Square for \$216m

■ Helen Shield

The Insurance Commission of WA has sold its last direct property asset, offloading its Westralia Square A-grade office building to GDI Property Group for \$216.25 million.

The sale of Westralia Square, an 18-level, A-grade CBD office tower in the Brookfield Place

precinct, completes the commission's commercial property exit started more than two years ago and realises a total of \$870 million.

ICWA chief executive Rod Whithear said the program was one of the largest asset sale programs of government-owned assets in WA's history.

At more than 2½ years, it may

also have been the longest.

"We have contributed more than \$869.8 million to reducing the WA Government's net debt and have generated more than \$149 million in additional capital gains tax and stamp duty revenue for the WA Government," Mr Whithear said.

GDI Property Group managing director Steve Gillard said

the ASX-listed group had struck the deal for "considerably less than replacement cost" and had an opportunity to add considerable value through refurbishment and re-leasing when the sale settles in late October.

Property sources said there were up to five bidders offering

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\$200 million to \$220 million for the property at 141 St Georges Terrace. The contest for the asset has been interpreted as an upbeat sign for Perth's CBD office market, which is expected to be struggling with 20 per cent-plus vacancy rates for another three years.

ICWA irked Perth's top-tier real estate agents by appointing



**Westralia Square has been sold.**

HWL Ebsworth to handle the sale. More than 2½ years ago, when it decided to sell its direct property portfolio, the commission appointed PwC instead of a real estate agent. ICWA maintained its decision to bypass agents was prudent fiscal management and kept costs low.

ICWA has already sold The Shops at Ellenbrook for \$231.6 million, Livingstone Market for

\$87.4 million, Forrest Centre for \$200 million and Westralia Plaza for \$87 million.

Westralia Square, with a net lettable area of 32,630sqm, 540 car bays and 95 per cent occupancy, has a passing net income of \$24.77 million and in 2016-17 generated a \$1.6 million bonus from casual use of its carpark.

Mr Gillard said GDI would fund Westralia Square with proceeds of its \$252 million sale of 66 Goulburn Street, Sydney.

"Westralia Square has all the things we look for in an office building," Mr Gillard said.

"It is well located, has good natural (light), easily divisible floor plates . . . and we expect to be re-leasing into a much stronger leasing market (in 2020). We believe . . . we can add significant value."