

Blackstone Snaps Up Empty Apartment Tower for BTR \$100m in Brisbane



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Blackstone, one of the largest private equity firms in the world, has snapped up a vacant apartment tower in Brisbane's inner-city suburb of Kangaroo Point, with plans to convert it into a build-to-rent asset.

Chinese-backed group R&F Property Group sold the 21-storey Lotus Tower, which has sat empty since its completion in late-2019, for about \$100 million.

The developer had initially planned to sell about 10 per cent of the apartments during the building's construction but elected not to follow through with the

marketing after receiving its final certification by a private certifier in September 2019.

“Due to Covid-19, we decided not to release Lotus Tower in 2020,” R&F Property Australia deputy general manager Brad Carmichael told *The Urban Developer*.

“However, significant interest from large investors led to the decision to sell the building in one line this year.”

The 200-apartment Lotus Tower is near the Kangaroo Point cliffs and has CBD, river and regional views as well as a 250sq m rooftop area.

The “high-end” apartment complex also offers amenities such as an infinity edge pool, sauna, private dining room, games room, media room, gym and innovative golf simulator.

The Guangzhou-headquartered and Hong Kong-listed developer is known for its large international portfolio encompassing housing to hotels.

However in 2019 R&F Development Holdings, the flagship company of the group in Australia, posted a loss of \$22.47 million.

According to records filed with ASIC, the company’s Hong Kong-based holding company provided \$160.48 million in loans during that year.

Blackstone, which has a global relationship with R&F, will now press forward with plans to convert the Kangaroo Point apartment tower, known to have unusual floor plates, into a build-to-rent asset.

“We believe Lotus Tower will be Brisbane’s first integrated build-to-rent project delivered to the market, and with our development partners, R&F is proud to have created such a high-quality product,” Carmichael said.

Blackstone emerged as one of the early entrants into Australia’s nascent build-to-rent sector in 2019, striking a deal worth more than \$300 million with prominent Melbourne developer Beck Property Group

Its second build-to-rent project in Australia, the Caulfield Village project in Melbourne’s southeastern suburbs, comprises 437 build-to-rent dwellings, a 3800sq m full-line Coles supermarket and 18 specialty shops.

The project is being delivered with Beck Property Group and Probuild.

Completion is due in the second half of 2022.

The build-to-rent sector is evolving quickly following the emergence of new post-pandemic trends.