



Sanctuary Cove a keeper for now says Mulpha boss

After splashing around \$1 billion on Sanctuary Cove, owner Mulpha is not considering selling off the asset any time soon.

EXECUTIVE chairman of Mulpha Australia Limited Seng-Huang Lee told *Gold Coast Business News* that, while the company was always considering offers for its property assets – Sanctuary Cove was off limits for now.

"With Mulpha we are not in a hurry to sell, but we believe in the long-term value and see a lot of opportunity. Sanctuary Cove is a unique proposition and we can never get back in here in our lifetime," says Lee.

"All our other assets, we are considering offers all the time. Selling some of our assets, the problem is that the tax man takes a big cut and then what do we do with the money? With the quality of assets that Mulpha has, redeploying it in an equally good asset is quite hard. For example, with Sanctuary Cove, if we sold it tomorrow, where would we find another Sanctuary Cove?"

"It's crazy the money we have spent on Sanctuary Cove, around a billion bucks, so if we were to sell now I don't think we would get our money back. That's why I say it's a unique proposition, because I doubt whether you would get another person to spend a billion bucks on what it is today.

"When we first bought Sanctuary Cove, people said that we over paid but over eight years I think we have proved that its worth what we paid and hopefully more."

Mulpha also owns the InterContinental Sydney, Hyatt Regency Sanctuary Cove, Hilton Melbourne Airport, The Hotel School Sydney, Salzburg Apartments, Norwest Business Park, 99 Macquarie Street, and Bimbadgen Estate.

Lee would not speculate on further acquisitions in Australia, but was 'always looking for opportunities' that fit the company's structure.

"I can't comment on specific opportunities but things pass across our desk on a daily basis," he says.

"We're always looking at long-term value, assets with long-term potential and that's the type of investor we are. We are not distracted by annual returns, but more by total returned over the life of the asset."



Mulpha has pumped \$50 million over the last two years into Sanctuary Cove and is the driving force behind the community's next growth phase.

"When we first bought Sanctuary Cove there were less than 600 homes on site, it was less than one third developed. Even after eight years of Mulpha ownership, it's only half developed," says Lee.

"Sanctuary Cove has become less of a resort and less of a holiday destination to become an upmarket suburb of Brisbane and the Gold Coast.

"The whole demographic has changed. It's not just the Japanese golfer who bought a house here and visits four times a year and rents it out in between."

Sales generated since Mulpha's takeover of Sanctuary Cove in 2002 had surpassed \$800 million, allowing the company to re-invest heavily into enhancing infrastructure.

Since teaming up with Sunland Group to extend the residential component, around \$38 million in sales have been realised since January.

Mulpha also holds a 25 per cent stake in FKP Property Group, giving the company access to the burgeoning retirement sector in Australia.

The company will also focus its efforts in China, where it owns around \$10 billion in property assets.