

# From boom to bust as Valad delists to go into private hands

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Clem Salwin, chief executive of Valad Property Group. Picture: Bob Finlayson Source: *The Australian*

**THE sun has finally set for Valad Property Group, a company that came to epitomise the boom and bust of Australia's property industry.**

It was delisted from the Australian Securities Exchange yesterday with two million units doing their last trades at \$1.79 and \$1.792 each.

The New York-based private equity giant Blackstone Group is taking Valad private after de-listing. Unitholders approved its \$806 million takeover offer this month.

Valad joined the likes of Allco Financial Group, Rubicon Trusts and Babcock & Brown to disappear into the abyss -- casualties of the global financial crisis.

As its acting chief executive officer Clem Salwin said previously Valad's business was a high-risk, pre-GFC model, oriented to an abundance of capital. "That world is gone," he said.

Mr Salwin declined to comment on the de-listing yesterday. Similarly, founders Peter Hurley and Stephen Day were unavailable for comment.

Valad started life as a "value-adding" opportunistic developer, meaning it bought buildings to refurbish and remix tenancies to squeeze additional returns out of them.

Listed in 2002, after raising \$210m, it became one of the fastest-growing A-REITs.

Its most audacious move was to spend \$2 billion to take over the British funds management and property company Scarborough from Kevin McCabe.

Valad took its investors on the rollercoaster as its market capitalisation hit \$3.05bn in 2007 and plunged to \$38m in March 2009.

Its performance had relied on debt-fuelled growth and it crashed when liquidity dried up during the GFC.

Valad was a company that attracted controversies.

There was Mr Hurley's attempt to do a management buyout of its European business and the high salaries paid to senior executives.

The proposed MBO angered institutional investors, who forced the departure of Mr Hurley and the installation of Mr Salwin.

Mr Salwin was credited with the sale to the Blackstone Group, attracted to its European funds management platform, which employs 240 people and had some \$6.5bn under management.

Valad had around \$780m of funds under management in Australia, including its largest fund, the Valad Core Plus fund (VPlus).