

St George calls in receivers for Sheraton Mirage

Nick Nichols, business editor

March 25th, 2009

AN impatient St George Bank has moved on the Raptis Group subsidiary that owns the Sheraton Mirage Resort.

Six months after the prized beachfront property was placed on the market, and after several of potential buyers flirted with the resort, St George has called receivers to SP Hotel Investments.

The move has been a very lowkey affair.

But Raptis Group chairman Jim Raptis last night said it was a 'step to sorting out the mortgagee issues while we are negotiating with the purchasers'.

Sheraton Mirage has three mortgagees, including Wellington Capital's Premium Income Fund and another unnamed financier.

A St George spokesman yesterday would only confirm the bank had appointed receivers, and referred The Gold Coast Bulletin to Mike McCann, from receivers Grant Thornton, for comment.

Mr McCann did not return calls.

Raptis Group has been trying to sell the Sheraton Mirage since October last year and, in recent months, has been talking to two serious bidders, including Casuarina Beach developer Don O'Rorke.

The offers are said to have been pitched about \$70 million, although Raptis Group, which paid \$82 million for the property in 2005, had been seeking offers of \$80 million.

It is understood St George continues to seek offers at that level to satisfy the debt on the property.

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Wellington Capital's Premium Income Fund, as second mortgagee, is owed \$20 million, a loan that has been in default since October.

Jenny Hutson, Wellington's chairman, yesterday said the receivership provided breathing space to achieve a better price for the Sheraton Mirage after discussions with the two potential buyers had stalled.

It has been suggested St George may not be in a rush to offload the property at a discount.

"There's a fair dose of commonsense on this," said Ms Hutson.

"Everybody's interests are aligned here in terms of trying to get the best outcome. There is total co-operation between us, St George and their receivers."

Ms Hutson said a new campaign to sell the property was some time away.

"Step one is about the receivers understanding the property and maximising what the property delivers for everyone's benefit," she said.

The Premium Income Fund needs a price of \$80 million to meet 95 per cent of the \$20 million it is owed by Raptis.

Ms Hutson yesterday stamped her faith in the property yesterday, describing it as one of the 'best bits of real estate on the eastern seaboard'.

She said at the asking price, there was a 'fortune to be made' for a potential purchaser.

"There is just not a question about that," she said.

"If the consequence of the St George receivership is that the property is held for some time, when it does come on to the market it is going to be at a number that is much, much higher than that because the world would have moved."

The Premium Income Fund this week announced it had repaid in full all its bank debt, which stood at \$100 million in May last year.

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