

Receiver moves on two Perth towers

Jonathan Barrett

Challenger Financial Services Group has seized two Perth office blocks, collectively worth tens of millions of dollars, tied to one of Western Australia's biggest land owners, the Caratti family.

Challenger has appointed corporate recovery firm Taylor Woodings to the properties at 1110 Hay Street and 218 St Georges Terrace. They were held by Allen-Caratti's partner, Tina Bazzo.

Interests associated with Ms Bazzo paid about \$20 million for the Hay Street office block in 2007 and \$11.3 million for the St Georges Terrace complex in 2005.

A Taylor Woodings spokeswoman confirmed that Challenger had made the appointment. "Taylor Woodings is currently working on realising the assets of the companies," she said.

The Caratti family, known in Perth for being very private, controls extensive agricultural and urban land holdings across WA and was thought to boast several hundred million dollars in net wealth before recent signs of financial stress.

Last year, Mr Caratti's HL land development company, which he co-owned with convicted fraudster Kevin Pollock, fell into the hands of receivers. But Mr Caratti transferred his holdings to another individual shortly



Interests associated with Ms Bazzo paid about \$20 million for the Hay Street office block in 2007. Photo: BOHDAN WARCHOMUJ

before the appointment.

Mr Caratti and his extended family also hold interests in small listed companies, such as property funds management group Viento Group.

Mr Caratti and Ms Bazzo were unable to be reached yesterday. The two

companies that hold the properties are in receivership but not the other Caratti holdings.

The seizure of two significant office assets is the latest in a long line of receiverships in WA's weak property market. The mineral-rich state

suffered a 134 per cent increase in the number of insolvencies in the past three fiscal years – much higher than the eastern states, albeit off a lower base – according to the Australian Securities and Investments Commission.

KEY POINTS

- Challenger has appointed a corporate recovery firm to two Perth office tower blocks.
- Interests associated with Tina Bazzo bought the Hay Street office block in 2007 and the St Georges Terrace complex in 2005.

In WA, the fallout was felt particularly in the property sector, which suffered a major correction after enjoying massive price increases leading up to the financial crisis.

Several of the receiverships were tied to moves by Commonwealth Bank-owned Bankwest and Bank of Scotland International calling in debts after breaches of banking covenants, which led to the seizure of assets owned by developers Luke Saraceni and Hossean Pourzand.

Sydney-based developer Chris Rose also lost control of Perth's tallest apartment tower, called Elevation, before reclaiming it again from receiver KordaMentha.

Allen Caratti appears to have taken the lead in his family's extensive portfolio after his father, Sergio, passed away in the early 1990s and his brother, John, was sentenced to four-and-a-half years' jail in 1999 for conspiring to defraud the Commonwealth.

RP Data wins stoush with industry body

Natalie Gerritsen

Property information provider RP Data has chalked up a win over one of Australia's peak property bodies about its online valuation tools.

The West Australian arm of the Australian Property Institute complained to the WA Department of Commerce over RP Data's use of the word "valuation" in promoting its data-based tools.

But while the department said RP Data's conduct was "of concern", its

electronic valuer reviews (EVRs) and automated valuation models (AVMs) were not a breach of state legislation.

RP Data's executive general manager-general counsel, Craig Mackenzie, said the tools were not designed to completely replace professional valuation services.

"We're about educating consumers about what is out there and what may be suitable for what they need," Mr Mackenzie said.

He said the API complaint was caught up in "semantics".

API objected to RP Data describing the products as valuations, saying they did not take into account the wide range of factors a professional valuer would.

Under the relevant WA legislation, valuations can only be performed by licensed practitioners.

About 95,000 short-form valuation products are ordered through RP Data every month, predominantly by financial service providers for loan approvals.

AVMs are also available to general

consumers, while EVRs will be in the near future.

RP Data signed a deal last year to deploy its valuation services across the residential and non-residential operations of the National Australia Bank. NAB said it was committed to using traditional valuation services and ensuring suppliers conformed to its corporate values.

"Should a supplier be seen not to comply with our criteria, we would take steps to review the relationship," a spokeswoman said.

Mr Mackenzie said it was up to individual lenders to decide which valuation they used.

API WA president Dennis Volk said he had no problem with RP Data's products, just their being marked as valuations.

"When people see the word valuation they expect the accuracy and professionalism that goes along with it," he said. "We're disappointed with the department's decision. We feel they could have taken on board more views from the industry."

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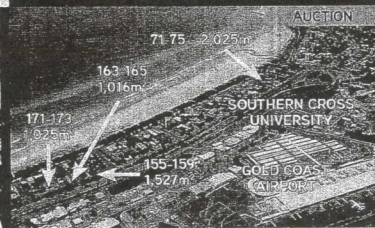
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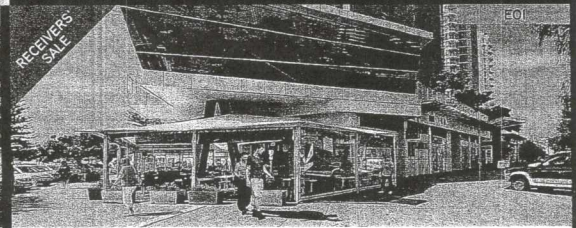
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