

FINANCIAL REVIEW

SE **Property**
HD **Push for \$4b Geelong project**
BY Larry Schlesinger
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Listed agribusiness **group** Ridley Corporation has partnered with private developer Sanctuary Living on a proposed \$4 billion marina development in Geelong to replace the Cheetham salt flats along Stingaree Bay.

The proposed 20-year Nelson Cove development at Moolap would cover a massive 500 hectares of coastal land east of the Geelong central business district, south-east of Melbourne, stretching from the CSIRO Research centre all the way to Point Henry.

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It would comprise three precincts: a **commercial** precinct, twice the size of Geelong CBD with a technology-focused business **park**, university, marina, ferry terminal and hotels; a **residential** precinct with up to 5000 homes, and an entertainment precinct with another marina plus hotels, shops and cafes, convention centre, a Guggenheim-inspired museum and a golf course.

About 700 homes will face the water and have their own private boat moorings. There is also a proposal to develop a light rail to link up Nelson Cove with the Geelong CBD and Geelong train station in partnership with the city and the state government.

Ridley Corporation, which makes animal nutrition products, owns half of the Moolap **site** under freehold, with the remainder owned under a leasehold agreement with the Victorian government, which has 30 years to run.

Chief financial officer Alan Boyd said Ridley was partnering with Sanctuary Living to get the "best value" from the real **estate**.

Ridley retained the salt flats at Geelong after selling its Cheetham salt business to **Hong Kong**-based CK Life Sciences for \$150 million in February 2013.

Sanctuary Living specialises in large-scale golf course **residential** developments. Its projects include the Sandhurst Club near Frankston, Sanctuary Lakes Resort near Point Cook and redevelopment of the former Geelong Golf Club. Land swap proposed

Sanctuary Living director Steven Head said: "We've produced a master plan that we believe is commercially feasible."

He said the developers are proposing that the Victorian government do a land swap and donate the crown leasehold land to Nelson Cove.

"It will come back to them in a fully improved state comprising parks, beaches and wetlands," Mr Head said.

The project requires both the approval of the Victorian government and, because it's within five kilometres of the coastline, federal government approval as well. Mr Head said gaining the necessary approvals would take at least two years.

"We've held a series of private meeting with key stakeholders, including Geelong mayor Darryn Lyons, the Geelong Chamber of Commerce and community groups, who are in favour of the project."

Mr Lyons backed the project when it was launched, saying it demonstrated "confidence in the future of Geelong".

But, he said, the environmental effects would need to be examined.

Victorian state Labor MP for Bellarine Lisa Neville flagged "significant environmental issues".

Not in favour is the Geelong Field Naturalists Club, which has concerns that the proposed development will damage the ecology of the Moolap wetlands.

Mr Head said the Sanctuary Living-Ridley development would have a \$4 billion direct economic benefit for Geelong.

"It will create 2500 construction jobs for every year of its development and 2500 jobs permanent jobs when the entertainment precinct is up and running."

Funding will come from the same **group** of private financiers who backed Sanctuary Living's other projects, he said.

"We have formed fairly deep relationships with our private backers so we will be tapping them again."

Ridley Corporation will be actively involved in the approval process, but will then revert to a more passive role during the development and construction phase, receiving an income stream under a proposed royalty arrangement.

Separately from the Geelong development, Ridley is "testing market appetite," via an expressions of interest campaign, for a 912-hectare former salt fields **site** at Lara north of Geelong and a 316-hectare **site** near the Adelaide CBD.

The former has potential uses as industrial or airport land, the latter as a **residential site**. Another asset, a tenanted feed mill at Dandenong is also up for **sale**. CBRE's Danny Thomas and Chris Holgar are marketing two lots at Lara covering 655 hectares.

Key points The development will include **commercial** and **residential** development. About 700 homes will have their own boat mooring.

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