

# FINANCIAL REVIEW

SE **Property**  
HD **Russo has splashed \$20m on city apartment sites**  
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Melbourne **property** developer Joe Russo, principal of Caydon **Property Group**, has spent more than \$20 million on land to expand his **apartment** pipeline around the inner suburbs.

Mr Russo paid \$16.5 million for a **site** on Ascot Vale Road in Flemington, which has a permit in place for a 387-unit project. He said he expects to make a few changes to the approved plans and will begin marketing the units in three months time.

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The development is over 21 levels and includes scope for 81 serviced apartments and retail space. It was designed by dKO Architecture.

CBRE agents Mark Wizel, Josh Rutman and Ed Wright brokered the deal in conjunction with co-agents Rudy Kelemen and Joshua Charteris of Kelemen **Commercial** Realty.

Mr Wizel said the deal was the strongest non-CBD **sale** in more than two years and demonstrated strong underlying demand from local developers.

Caydon **Property** outbid **Chinese** and Singaporean developers, as well as local groups, for the **site**. The **site** is near land which the Victorian Racing Club **sold** to the **China**-based Greenland **Group** bought earlier this year, which attracted offshore groups to the Ascot Vale Road **site**.

Mr Wizel said local developers were focused on inner-suburban sites rather than worrying about high levels of competition for sites and attracting **apartment** investors around the CBD.

Caydon paid \$4.89 million for a 3360 square metre car **park site** in Heidelberg in late May through John Castran.

Planning is under way and Mr Russo is hoping to build about 300 apartments on the **site**.

The **group** has 992 apartments under construction across inner Melbourne and about 300 will be finished this year. A Hawthorn project is near completion and apartments at St Kilda Junction are now under way, while the groups's Brunswick East project continues to sell.

"About 70 per cent of our buyers are investors at the moment, the rest are owner-occupiers, we're finding a lot more owner-occupiers are feeling comfortable about buying off-the-plan," Mr Russo said. "About 10 [per cent] to 15 per cent are offshore, which is a hard sell when you're outside of the CBD, but we're educating buyers."

Mr Russo said Caydon was marketing apartments to **Chinese** and Singaporean clients, who traditionally preferred CBD locations, but were beginning to see opportunities in buying into inner-suburban projects.

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