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HD **Local players getting pushed out**  
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COMPETITION for development sites in Brisbane is pushing out local players in the fast-growing city.

The influx of interstate and international players into the Queensland capital's development scene this year has included **Chinese** R&F, Singaporean Aspial and Banyan Tree and "southerners" Urban Construct, Billbergia, Pellicano and Gurner.

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Queensland **property** veteran David Devine — who is set to profit \$20 million after flipping two sites in less than a year to R&F — said the new entrants had spurred some vendors to overreach on their price expectations.

"The prices have now been elevated above what is a good business investment," he said. "All the vendors are reading about increasing prices and they've all jacked their prices up. The market will take a period of settling down to see what happens over the next three to six months." Mr Devine — whose **company** Metro **Property** Development settled 500 apartments this year and expects another 1000 in 2015 — said **site** prices in South Brisbane, West End and Fortitude Valley were "now getting too high".

Local developer PointCorp co-managing director Chris Vitale said the **firm** was increasingly selective about its sites as competition grew and **site** prices rose.

"Whereas 12 months ago, 18 months ago you might have two or three competing bids, now you're talking about six or seven," he said. "It has pushed **site** values up. In some ways it was easier developing in the GFC because we had less competition, but that's the cycle." Melbourne-based young rich-lister Tim Gurner, who himself burst into the Brisbane market with his \$600 million triple-tower Flatiron precinct in Fortitude Valley, said some sites were selling for "crazy money".

"I think people are paying too much and I think they (the projects) won't get up," he said. "When they're paying \$70,000 to \$80,000 per **apartment site** then I think it's crazy." Mr Gurner **purchased** the 5000sq m **site** he is transforming into the Flatiron precinct for \$25m, buying out an appliance shop, church and small business owners.

But he said he had been offered more than \$70m to onsell the **site**. "We've had some crazy, crazy offers from the Asian developers." But national director of real **estate transactions** for Deloitte Capland Real **Estate** Advisory, James Walsh said value was relative.

"Some of the local developers that **purchased** sites several years ago at lower prices are having a harder time getting their head around some of the prices being paid today," he said.

"But for developers interstate and offshore it's quite the opposite. Brisbane represents what is perceived to be good value." He cited the recent \$150,000 per unit price paid in western Sydney's Parramatta compared to prices ranging from \$70,000 to almost \$90,000 in South Brisbane. He said several offshore developers, including those among the biggest in **China**, would enter the Brisbane market in 2015.

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