

FINANCIAL REVIEW

SE News

HD Darwin trails by '150 years'

BY Mark Ludlow

WC 611 words

PD 12 November 2015

SN The Australian Financial Review

SC AFNR

ED First

PG 9

LA English

CY Copyright 2015. Fairfax Media Management Pty Limited.

LP Northern Territory Chief Minister Adam Giles says a new luxury six-star hotel in Darwin is one of the many missing pieces in the infrastructure puzzle needed to drag the northern capital up to the standard of the southern capital cities.

Mr Giles, who helped host the Northern Australia Infrastructure Summit earlier this week to lure global investors to the Top End, said the territory had a lot of catching up to do when it came to providing modern infrastructure. "No one likes me saying this, but we're 150 years behind the rest of the country in terms of infrastructure. We're playing catch-up," Mr Giles said in an interview with The Australian Financial Review.

TD "I think many pieces of the puzzle in the Northern Territory is taking the next step in terms of development - the rail lines, the port, roads and bridges.

"There are still many areas of the Northern Territory which are cut off in the rainy season. So a bridge building program is just as important as a hotel program."

The Territory government has offered up 9000 square metres of undeveloped Crown land next to the new Darwin Waterfront and Convention Centre for the new hotel. But it is also open to developers proposing ideas on private land parcels in the city.

It is understood there is strong interest from local and international investors, including a prominent Chinese developer.

While people have talked about the untapped potential of the Northern Territory and northern Australia for decades, it is only recently the money has started to flow to facilitate change.

The Northern Territory government last month sold the Port of Darwin in a 99-year-lease to Chinese-owned company Landbridge, while the federal government this week announced \$5 billion in concessional loans to help encourage private investors to pour money into economic infrastructure in the region.

Mr Giles said he was trying to change the mentality that Territorians just asked the federal government when they needed more money.

"We don't just stand with our hands out asking the feds for more money. We are leading by trying to change the process," he said.

On Tuesday the Northern Territory will announce the winning consortium for a gas pipeline to connect the Territory to eastern markets via either South Australia or Queensland.

It's another sign of the Northern Territory government wanting to engage the private sector to promote economic activity to take advantage of its abundant natural assets.

While there has been new property development in Darwin in recent years, it has mostly been undertaken by local families, including the Halikos Group and John "Foxy" Robinson, which has built new apartment blocks which have been snapped up by workers on Inpex's \$34 billion Itchys liquefied natural gas project.

The property market in Darwin - which at one stage was leading the nation - has come off the boil, falling 3.7 per cent in the past year, according to CoreLogic RP Data's head of research Tim Lawless.

The value of units in Darwin has fallen 13 per cent in the past year, but the median housing price in Darwin (\$540,000) is still above Brisbane (\$460,000) and Perth (\$500,000). Gross rental yield for houses (5.3 per cent) and units (6.1 per cent) is still one of the strongest in the nation.

But Darwin has long struggled to provide top quality accommodation for tourists or business. A recent survey found only 8 per cent of the city's hotel stock was considered high-end.

Expressions of interest for the hotel site closes in mid-December.

NS gpol : Domestic Politics | gcat : Political/General News | gpir : Politics/International Relations

RE austr : Australia | nterry : Northern Territory | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB Fairfax Media Management Pty Limited

AN Document AFNR000020151111ebbc0001j

© 2017 Factiva, Inc. All rights reserved.