

SE MarketWatch
 HD Overseas developers venture into suburbs
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 WC 380 words
 PD 11 July 2014
 SN The Australian
 SC AUSTLN
 ED Australian
 PG 25
 LA English
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OFFSHORE developers are continuing to set the pace in Melbourne and some are now turning their attention to suburban development projects.

Malaysian developer Fajarbaru has made its first foray into the Australian market, joining players such as Singapore's Chip Eng Seng and Ho Bee in undertaking projects in Melbourne's eastern suburbs.

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Fajarbaru has just bought three adjoining parcels of vacant land in Doncaster for \$6.9 million.

The land, 2428sq m in total, was **purchased** from Doncaster Regency. The **site** has approval for the development of an 11-storey **residential** building with 136 apartments.

In a **company** announcement, Fajarbaru said the Melbourne market was showing "signs of improvement after a generally flat 2012 to mid-2013, and following a significant decline in 2011".

"In Australia, **residential** apartments still provide one of the most tax-effective investments," the announcement read.

Overseas developers have also taken an interest in Hawthorn, where The Australian understands a **Chinese** developer has closed a deal on 7000sq m **site** on Burwood Road.

It is believed the developer **purchased** the **site** for about \$30m, which was formerly owned by local businessman Ron Hall. A Melbourne-based agency and CBRE's city sales team have been linked to the deal, but this could not be confirmed.

Chip Eng Seng picked up the former Morrison Brothers Nursery **site** in Williamsons Road, Doncaster, for \$19.28m earlier this year and says it will launch a project this year featuring 90 townhouses and 50 apartments.

The **company** plans to expand its **property** development business in Australia and will acquire more development sites to build up its land bank, "should new attractive opportunities arise".

Late last year, a car **park** behind the shopping centre at 1 Grosvenor Street **sold** to Ho Bee for \$8.5m and that **group** is now planning 185 units.

A report by Knight Frank this week said Melbourne's metropolitan **apartment** market had experienced a lift in median values and rents in the past 12 months, despite significant construction projects under way. Knight Frank's **residential** research associate director, Michelle Ciesielski, said that there were just over 12,600 apartments currently under construction in metropolitan Melbourne, with a number of significant projects still in the pipeline.

IN i5010022 : Residential Building Construction | i501 : Building Construction | iconst : Construction | icre : Real Estate/Construction
 NS ccat : Corporate/Industrial News

RE austr : Australia | melb : Melbourne | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz :
Australia/Oceania

PUB News Ltd.

AN Document AUSTLN0020140710ea7b00069