

FINANCIAL REVIEW

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HD **Housing demand drives record settlements**
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Lend Lease has ridden the wave of the hot housing sector in Australia, reporting a record year for **residential** settlements – up 32 per cent on last year.

More broadly, **residential** pre-sales increased to \$2.5 billion for the 2014 financial year for the business.

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Chief executive Steve McCann said he believed the demand for housing would remain strong along the eastern seaboard and particularly in the near cities.

He said prices in places such as **China** had increased a lot and **residential** opportunities in cities such as Shanghai were not cheap.

"There is a significant desire for **Chinese** businesses and business people to invest capital into Australia and elsewhere. There doesn't seem to be any signs of that slowing, in fact in the last six months it has picked up," Mr McCann said.

"The **Chinese** developers have a thesis that the demand they see coming out of Asia is what makes it attractive for them to develop here."

In Australia, Lend Lease launched its first **residential** units at Barangaroo South during the period, which all pre-**sold** in three hours. The first release of 538 apartments at the **company's** Darling Harbour project also **sold** out. At Victoria Harbour the **group** has reached pre-sales of more than 90 per cent.

Mr McCann said proximity and lifestyle played a big role in luring foreign investment in Australia.

"We are lucky in a way that our proximity to Asia means that we would get the attention of the merging Asian economies," he said.

"They look at safe havens, and at cities where the flow of capital is likely to always be there and they think about scarcity value. They would rather have their money in a city which is unlikely to go backwards too much, compared to what they are used to at home which is much more volatile." Lend Lease also reported strong pre-sales in its latest London **residential** projects.

Mercedes Ruehl

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RE china : China | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia
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