

# FINANCIAL REVIEW

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HD **High-rise boom lifts cranes**  
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The inner-city **apartment** boom is making its mark on central business district skylines, as the number of cranes devoted to high-rise **residential** construction soars.

The number of cranes in mainland city skylines rose 5 per cent to 324 in September from 308 in March, underpinned by soaring **residential** construction in Melbourne.

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The crane count, devised by Rider Levett Bucknall, and which the quantity surveyor has recently trademarked as a precursor to rolling out the half-yearly report in other countries, has become a handy index to gauge the strength of the construction sector.

Cranes in the Victorian capital rose to 93 in September from 61 in March. Twenty-nine were taken down and 61 erected in that time, the index shows.

**Residential** cranes jumped from 45 to 73, accounting for 78 per cent of all cranes in the city, up from 70 per cent in March.

The crane count is no surprise to Jeff Xu of the Golden Age Development **Group**, who has all but **sold** out his Victoria One project, currently the tallest **residential** project in the Melbourne CBD.

With construction work to begin next month, Mr Xu will be putting up cranes at that **site** by early next year.

The **Chinese**-born developer, who arrived in Melbourne in 1998, also hopes to get the cranes moving on a prize Collins Street **residential site** he acquired last week with approval for a 55-level tower. "The amount of cranes now in Melbourne city is only the same as the amount of cranes on a couple of big projects in a medium-sized city in **China**," Mr Xu said.

"It's really not many, although for Melbourne, compared to six years ago it is a lot of cranes."

**Residential** cranes made up 62 per cent of the total, up from 61 in March. **Commercial** cranes held at 16 per cent. Health work-related cranes fell to 6 per cent from 9 per cent in March, reflecting slowing health infrastructure spend.

Sydney's skyline saw a fall to 119 from 125. Activity in the country's largest city remained strong, with the 62 cranes erected over the six-month period almost equalling the 68 taken down.

"The market is dynamic," said Stephen Ballesty, RLB's head of research. "We're seeing a high degree of utilisation of available cranes, reflecting stable markets. Cranes are moving from **site** to **site**." Signs of a changing sector

The Sydney figures also show a changing construction sector, with **residential** cranes slipping to 56 per cent of the total, down from 62 per cent. **Commercial** cranes rose to 14 per cent from 10 per cent.

The survey, based on research done in September, reports nine cranes at Sydney's Barangaroo construction **site**. Developer Lend Lease, which is building the three-tower Barangaroo South, on Wednesday said there are currently 11 cranes on **site** and it doesn't expect to erect more this year.

Recreation-related cranes got a boost with new cranes at Darling Harbour and Revesby, the report says.

Lend Lease said it has six cranes at Darling Harbour Live and will erect one more in November. It will add further cranes next year when the **hotel** and Darling Square parts of the project start next year. Brisbane's total remained steady at 50, with 35 taken down and the same number put up over the period.

**Residential** work makes up 74 per cent of the total. Not included in the Brisbane count was 10-crane **site** of the new \$1.8 billion Sunshine Coast Public University Hospital project.

In Perth, where the loss of two cranes clipped the total to 40 from 42 in March, **commercial** work dominates, with almost half of them – 48 per cent, up from 43 per cent in March – dedicated to projects including the May Holman centre, Perth Library and 933 Hay St. Four new cranes went up over the period at the new Crown Towers development at Burswood.

In Adelaide, the completion of a number of projects, such as the first stage of the convention centre redevelopment, cut the city's total to eight cranes from 14. The largest project, the New Royal Adelaide Hospital, meant a reduction to 5 cranes from 7.

Canberra's total slipped to seven from nine. Darwin's was steady at seven, with no cranes removed and none erected. Newcastle's crane count doubled to two.

For the first time, RLB published a crane index for southern Africa, showing 89 in South Africa, 17 in Mozambique and two in Mauritius. It plans similar reports in the Middle East and northern America.

Mr Xu said Melbourne's high-rise **residential** market was better understood as part of the global market,

"The number of cranes shows the confidence of the market. If you don't have presales, if you don't have bank approval, if you don't have a builder, the cranes won't start."

Mr Xu said the Sydney market was undersupplied due to the lengthy planning process while Melbourne was supported by its affordable prices.

Mr Xu said he was often asked whether he was worried about the strength of the markets. "To be frank, I have no time to worry."

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