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Gold Coast Bulletin

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HD HUIDONG LOST HOPE AND \$5M
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LP Chinese restaurant chain lost appetite for its 3.55ha parcel of land at Hope Island Resort and golf club owner Golden Horse galloped in to snare a deal for \$10.12 million

A GROUP that was among the earlier major Chinese investors in the Gold Coast property market has taken a lakeside bath.

TD Huidong appears to have lost \$5 million or more on a 2010 investment in a parcel of land within the Hope Island Resort.

As is often the case, where there's a loser there's a winner, and in this case it's another Chinese group: the owner of the resort's golf club, Golden Horse.

It has picked up Huidong's site, which can provide 46 housing lots, but is in no rush to come out of the development starting gates.

Golden Horse's focus is on a couple of more major projects it has lined up at the resort: top-shelf apartments and a hotel.

The parcel Huidong bought six years ago spans 3.55ha at the southern end of the resort's driving-range lake.

It paid Don O'Rorke's Consolidated Properties group \$11 million for the holding. Huidong apparently entered into a contract for more than \$5 million to knock the land into shape for housing.

That sort of activity wasn't the group's bread-and-butter business. A party to the deal says Huidong runs a chain of restaurants in southern China that serves 20,000 meals a day and that it ranks among China's major importers of seafood.

If the Hope Island buy was merely an Australian entree, it eventually didn't suit Huidong's investment tastebuds.

The company stopped civil works after some \$3 million had been spent in an exercise that included moving 36,000 cu m of pre-load material on to the site.

Later, Chinese property agents from Melbourne started quietly touting the land around the market.

Golden Horse cantered in with a \$10.12 million offer, Huidong accepted it, and the money has been paid.

The restaurateur's losses include \$880,000 on the land, \$3 million on earthworks on its raw site, and probably well north of \$1 million on body corporate fees and other holding costs.

Meanwhile, the word from those in the know at the Hope Island Resort is that Golden Horse has put its new buy "out to paddock" for a while as it focuses on other projects within the resort.

It appears Golden Horse first will build 29 luxury apartments overlooking the resort's Lake Lugano at the western end of the golf clubhouse.

They will be in a four-level wing and will have a mooted starting asking price of \$1.5 million, with the best of them double that. Also in the pipeline are a hotel with up to 200 rooms and serviced apartments, a bistro dining area at the clubhouse, a health spa and a kitchen upgrade in the golf members' area. And all that is before Golden Horse addresses plans for two other sites near the clubhouse.

NS gcat : Political/General News

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