

FINANCIAL REVIEW

SE **Property**
HD **Foreign developers on high-rise site hunt**
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Strong demand among developers trying to secure a future supply chain of apartments has agents banking on a flurry of **transactions** taking place as Christmas approaches.

Foreign developers including JQZ, Aqualand Australia and R&F Properties are on the hunt for properties, agents say. In Melbourne, **Chinese group** Greenland Holdings has been running the ruler over a **site** in Southbank carrying development approval, while rival offshore groups UEM Sunrise and Country Garden are also expanding Melbourne holdings.

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Large-scale sites on the market include the Goldfingers **site** on the corner of Lonsdale and King streets, listed for \$40 million, and 8 Spencer Street, which is priced at \$37 million.

In Sydney, a **site** near Granville in the city's west with development approval for more than 200 apartments is understood to be coming to market. It is owned by a private investor and Ray White agents Jeff Moxham and Scott Timbrell hold the listing.

Elsewhere, UrbanGrowth NSW is preparing a major **residential** and mixed-use development **site** at Delhi Road in North Ryde for launch to market. Sources close to the government body indicate that agents at CBRE and Matrix **Property Group** have been appointed to market the **property**.

"There's so much demand at the moment to build a future supply chain," Knight Frank valuer Chris Sutton said.

"In the past, groups have been hesitant to go out on a limb for a project to be built over the next three to five years, but it seems banks' appetite for lending is growing ... The sites are providing good profits and good turnover for them. The best example is Meriton; they've spent more than \$600 million in the past two years. That shows a level of confidence in the future market." Local groups want to add value

Foreign developers are still dominating **site** sales, while local private developers and listed groups are looking for more complex sites where they can add value, according to agents.

"An alternate strategy for established players has been to take longer-term views by purchasing sites without approval as most new entrants are not willing to take on planning risk," said Tyron Hodge, a director of valuations and advisory at JLL.

Sydney-based **property** investor Galileo **Property** is also busy scouting properties throughout Sydney's inner ring as construction nears completion on its **sold**-out Metro project in Chatswood.

The **group** bid aggressively on a Balmain waterfront **apartment site** that Toga **Group** bought for \$58 million. Frasers **Property** Australia, which was the second underbidder, is also back on the hunt for inner-city sites, agents say.

The regional centre of Parramatta is also experiencing a new wave of sales activity in the wake of a new planning framework which has proposed higher floor-space ratios and no height limits on towers in the inner city.

Listed and private groups, including Walker **Group**, Lend Lease **Group**, DEXUS **Property Group**, Charter Hall **Group**, Dylam and Leighton Properties, are in the running for development rights of stages two, five and six of the \$2 billion Parramatta Square civic redevelopment, as revealed by The Australian Financial Review on Monday.

But development and **site** sales are afoot throughout Parramatta. A **site** at 9 Hassell Street with development approval for 164 apartments and 23 levels will soon come to market, to be handled by Knight Frank's Dominic Ong. Sources close to the vendor indicate it could fetch as much as \$30 million.

Another family-owned development **group** associated with the Heartland Holden car dealership is seeking development approval for an 800-unit **site** with 40,000 square metres of **commercial** space in a Parramatta precinct known as Gateway South. Sources close to the **site** have indicated it could come up for **sale** following approval of the application.

CO gzrfpc : Guangzhou R&F Properties Co Ltd | uemlhb : UEM Sunrise Berhad
IN ireest : Real Estate | icre : Real Estate/Construction
NS ccat : Corporate/Industrial News
RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania
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