

THE AUSTRALIAN

SE PrimeSpace
HD Holdmark keen to bolster pipeline
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LP **HOLDMARK Property Group** managing director Sarkis Nassif says the **company** is eyeing more development sites in Sydney's inner west to bolster its 3000-strong **apartment** pipeline, while waiting for council approval to start its biggest **project** yet.

Mr Nassif, who founded Holdmark in the late 1980s, says the **group** hopes to start its \$1 billion Shepherds Bay **project** at Meadowbank after Christmas.

TD Holdmark bought the industrial **site** nearly 15 years ago and has had protracted negotiations with the council to build on the land, which fronts Parramatta River. The **project** is likely to have about 2000 units in buildings ranging from four to 15 storeys.

"Construction will start on the day I get approval," Mr Nassif said. "You can't control the approval, but probably after Christmas we will start laying the concrete." He said the approval process in NSW needs to be more efficient. "The planning system needs to perform better and red tape needs to be cut — the lazy approval process impacts heavily on the state economy." Mr Nassif founded Holdmark 27 years ago when he emigrated from his native Lebanon. His father was in the construction industry in Lebanon and financially supported Mr Nassif in his early local ventures.

Like a number of NSW developers, Holdmark has been caught up in the controversies over political donations and dealings with local councils.

In 2008, Holdmark was named in a NSW Department of Local Government investigation into buying council land in Sydney's Auburn well below valuation. Mr Nassif says there was nothing to the allegations.

The **group** started with small townhouse projects in Burwood and Parramatta and has since grown into a diversified developer that has completed major Sydney **apartment** developments.

It also has a foot in the office, industrial and retail space. Its projects include the \$200 million Air St Leonard's **apartment project**, and a three-tower **apartment**, office and retail complex in Elshire Street, Burwood.

"We have got a wider experience than just apartments; where there is an opportunity we will grab it" he said.

In June, the **group** paid \$80m for an office building at 2-60 Railway Parade, Burwood, which was **sold** by Tony Pitt's 360 Capital **Group**. The building has a net income of more than \$6.5m but has potential to be converted into an **apartment** complex when the leases run out in about five years.

Mr Nassif was coy on long-term plans on the **site**.

"It will depend on the market in five years time," he said.

Holdmark was one of the few local players to **buy** a **commercial** building with **residential** conversion potential this year with Asian groups the most prominent.

The Australian reported last week that **Hong Kong**-listed **group** Shimao Property Holdings bought a Sydney CBD office building at 175 Liverpool Street for about \$400m, while **Hong Kong**-based Golden Horse Holdings recently bought an ageing industrial **property** in Erskineville from Goodman **Group** for about \$350m.

Mr Nassif said the increased presence of Asian developers in the past two years has been a game-changer for developers. Asian developers are willing to pay more for sites so they can get a foothold in the market, he said.

"They've got a different feasibility," he said. "It hasn't prevented us from buying sites but has made us think more carefully about expanding. They have just come into the market so let's test (how many are left) in a few years time." Mr Nassif has no plans to expand out of Sydney, saying that a decade-long drought in supply has left the market in good stead for future housing demand.

On location, he likes the inner west and areas close to the water. "Water always makes you relax and we deserve it as we work so hard," he said. "I believe if you sit on the balcony and have your barbecue, and have your beer it can help you relax after a long day." Mr Nassif said he hoped to pass on the business to one of his children. His son Kevin and daughter Kristy work for the **company**.

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