

FINANCIAL REVIEW

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HD **Sunland pauses site buying**
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Sunland chief executive Sahba Abedian has called time on Australia's **residential** development **site** market after having counter-cyclically **purchased** up to \$80 million worth of land per year for the last five years.

Just a week after snapping up billionaire Harry Triguboff's development **site** in Sydney's Northern Beaches for \$18 million, Mr Abedian now thinks Sunland has enough of a pipeline to get through the next cycle.

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He is also cautious about the exorbitant prices being paid around the country by numerous local and offshore developers.

"In terms of acquisitions I don't think we need any more now," Mr Abedian said. "We will now move towards having a greater focus on delivery. We have enough of a pipeline."

He said the number of **Chinese** and Singaporean buyers was reminiscent of the 1990s when Japanese buyers were dominating the buying.

"There are some very big prices being paid for sites at the moment. But it is just a point in time," he said. Riding perfect cycles

Sunland has picked the cycles close to perfection buying multiple distressed assets during the financial crisis and up until as recently as last year when it bought out the debt of failed fund manager LM **Group's** Maddison **Estate** for \$24.75 million.

"We went to banks and looked at their underutilised assets," Mr Abedian said.

Sunland is banked by ANZ whose head of **commercial property**, Eddie Law, warned this week that banks needed to carefully monitor the "logic" behind some of the big development **site purchases** being made.

"The bank has no prejudice about the source of equity, rather it focuses on the capacity and capability attaching to the development sponsor," Mr Law said.

"**Chinese** equity competes in its own framework against local equity. It has a propensity to pay a higher price, particularly for development sites, and the jury is out as to the logic attached to that at the moment," Mr Law said.

Sunland has previously warned about the affect of **Chinese** developers on the market.

Several chief executives of institutional real **estate** companies have also publicly said they would not bid on development sites if they knew **Chinese** equity was bidding for them.

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