

**HD City & Country: Cover Story: Hilltop allure in Melbourne**

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The A\$76.5 **million** Gardenhill high-rise, to be built on top of Doncaster Hill, will offer sophisticated designs and unhindered views of Melbourne city. Developer Fajarbaru-Beulah aims to meet the growing demand for apartments in the area as house prices continue to rise.

Stepping out into the bright sunshine on a cool autumn day in downtown Melbourne is something most locals relish. The city, renowned for its unpredictable weather, is a delight to visit with plenty to see and eat. Visitors are charmed by quaint cafés that dot side lanes, the museums and theatres, and the trams that criss-cross the city.

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Ranked most liveable city by the Economist Intelligence Unit for the fourth year running in its live-

ability survey of 140 cities, Melbourne is also fast becoming attractive for Malaysian developers seeking to expand their **property** portfolio.

One such **company** is Fajarbaru-Beulah (Melbourne) Pty Ltd, a joint venture between Malaysian construction **company** Fajarbaru Builder **Group** and Melbourne-based Beulah International. It's looking to do just that with a high-rise development in the suburbs of Doncaster called Gardenhill.

"Beulah found an exciting opportunity to acquire land and proceed with the development at the end of last year," explains Jiaheng Chan, executive director of Beulah International and the joint-venture **company**. "Our vision is to develop something the Doncaster area has never seen before and it required a strong partner to make our vision a reality.

Beulah found out that Fajarbaru was actively looking for **property** development opportunities overseas, especially in Australia, through a business associate. "Beulah presented the opportunity to Fajarbaru, thankfully with a great response," recalls Chan.

The land in the suburb of Doncaster was **purchased** for A\$6.9 **million** (RM19.8 **million**) in March this year. It is the highest point in the Eastern Metropolitan Area at 110m above sea level on Doncaster Hill. A 20-minute drive from the city centre, Doncaster is an affluent suburb known for its family homes, luxury car showrooms and Westfield Doncaster, one of the largest shopping centres in Victoria with 442 retailers and 123,190 sq **m** of gross lettable area. The mall is just a three-minute walk from Gardenhill.

The A\$76.5 **million** 11-storey building will sit on 0.6 acres of freehold land and offer 136 apartments of one and two-bedroom units. The former will have built-up areas from 44 to 57 sq **m** and the latter from 68 to 130 sq **m**. Selling prices range from A\$360,000 to A\$405,000 for the one-bedroom units while the two-bedroom units range from A\$490,000 to A\$745,000.

Estimated yields are between 4% and 6%. The average estimated rental rate for the one-bedroom is A\$395 per week, while the two-bedroom can go for A\$455 to A\$565 per week, depending on the size and the number of bathrooms.

A private preview held in Melbourne on Sept 7 and 8 saw a take-up rate of 20%.

The A-team

One of the challenges that Chan and his team faced with this project was that the land came with a development permit.

"The land came with a permit for 11 levels and 136 units, and the constraint was the shape of the building. We gathered a dynamic A-team to redesign the project within the limitations given," Chan says. "If we had decided to change the design stated in the permit, it would have taken some time for the approval process. We didn't want to go through."

The team includes marketing specialist and director of Grenade Trust Pty Ltd, Ben Buxton; senior associate and design leader, Eugene Cheah, from architecture **firm** Woods Bagot; and award-winning landscape architect, Jack Merlo, of Jack Merlo Design. CBRE Victoria's managing director for **residential** projects, Andrew Leoncelli, was brought in to help with sales.

The team effort, Chan says, resulted in a design that he believes will appeal to the international and local markets. "We wanted to introduce good design with city sophistication in Doncaster."

From the outside, there will be sliding **copper**-coloured screens that can be used to manage the amount of sunlight entering the units. Architect Cheah explains: "We wanted to break down the sense that you are coming home to a stack of flats and living in one of a sea of identical units. The idea of the screens is so that residents can customise the look of their units with how much sun to let in. This brings a sense of empowerment in your home."

The sliding screen also adds a transitional design aspect to the apartments as it is incorporated in the interior of the units. The interior sliding panel enables residents to block the kitchen area when needed, creating a larger living space for parties and gatherings. Conversely, opening the panel creates a dining space.

CBRE's Leoncelli says that this transitional design aspect does not exist in Melbourne.

The units come with a kitchen fitted out with a refrigerator, hob and hood, and cabinets. In the bedroom, a wardrobe and heater and air-conditioning units will be provided.

The green features and elements in Gardenhill are quite stringently regulated due to Australia's eco-friendly emphasis, so the design includes features such as double-glazed glass and **energy**- saving fittings.

The amenities include two private gardens — one on the rooftop and one on the ground level. The rooftop will feature barbeque and entertainment areas with plants planted on the perimeter of the roof. The ground-level garden will offer some privacy for residents.

According to Merlo, the plants that will be used in the landscape "have low to medium water consumption. This is to ensure, where there is water rationing, the plants will still be able to survive".

Chan explains that the inclusion of these outdoor elements is an ode to the background of Doncaster that used to be orchard land. Open spaces are something that Australians enjoy, he adds.

Why Doncaster?

The suburb of Doncaster is considered an upcoming area and the **apartment** segment there is driven by the increasing prices of landed **property**. This has pushed younger buyers to **buy** apartments, says Chan.

"People who want to live in Doncaster can't afford a house but they can afford an **apartment**. This has driven us to get a **site** in Doncaster."

Chan provides statistics from RP Data, which shows that the median house price is currently A\$960,000, an increase from the A\$780,000 in September 2013.

The area has a diverse and growing population with residents from Malaysia, **Hong Kong**, **China**, Italy and the UK, Leoncelli adds.

Nearby are primary schools such as Mont Albert Primary, Balwyn Primary and Boxhill North Primary, and secondary schools like Doncaster Secondary and Balwyn Secondary. Universities not far from the Gardenhill **site** are Swinburne University and Deakin University. For the outdoor types, there are ample community recreational parks like Raffey Lake, Eram **Park** and Tram Road Reserve.

There is a bus service with a dedicated bus lane via the Eastern Freeway to the Melbourne central business district, which is 15km away. At the moment, there is no train service to the area although land

has been allocated for it. Leoncelli believes it is only a matter of time before the train system connects the area.

The Melbourne authorities have been trying to attract more residents to live in the area to add to its vibrancy after dark. So why should investors or buyers consider Doncaster?

"There are two different markets," Leoncelli explains. "The average age of those living in the city is 32 and 80% are from the 18-to-34 age **group**. So it is a very young person's place to be. We get the skilled workers and international students who tend to want to be in or close to the city. Further out from the city are mainly owner-occupiers and the older demographic."

Chan says, "For Gardenhill, the target market is half owner-occupiers and half investors."

Over the past two years, the Melbourne **property** market has grown steadily. According to CBRE's research data, Melbourne's 2013 annual prices rose 10.2% compared with two years ago when it was negative 3.9%. Some of the key drivers for this are the low unemployment rate, rise in disposable income, low interest rates and less reliance on the **mining** industry, Leoncelli highlights.

Moreover, the median house price for Melbourne is A\$594,000 which makes it more accessible compared with Sydney where the median house prices is A\$784,022.

Furthermore, house sales have been very encouraging.

"Melbournians sell houses by auction and for all of 2013 and most of 2014, there have been 70% to 80% clearance rates, which means the market is meeting vendors' expectations," Leoncelli explains. "Say seven-and-a-half out of 10 properties every weekend are being **sold** at auction, a very healthy statistic. This time two years ago, the clearance rates were about 55% to 60%. When clearance rates start to grow, it is a sign of confidence."

However, with such positive figures, is there a possibility of a **property** bubble? Leoncelli doesn't see this happening.

"There is no **property** bubble in Melbourne, because prices have not grown dramatically. They have grown but it is still relatively affordable," he says.

Asia calling

Gardenhill will soon be available for **sale** in Asia. Close to 50% or 60 of the 136 units have been set aside for the international market. Malaysians will have a chance to book a unit on Oct 18 when the road show comes to Kuala Lumpur. Chan is also taking the road show to Singapore, **Hong Kong** and **China**.

One of the key selling factors that would interest Asian buyers is the good feng shui of the area. Called "head of the dragon", Gardenhill is at the top of the highest spot on Doncaster Hill. For those who do **buy** a unit in Gardenhill, Chan says that Beulah International or CBRE will help buyers manage their units.

In the future, Fajarbaru-Beulah is looking to grow its presence in and around Melbourne.

"We see a strong future for Fajarbaru and Beulah in the medium and high-density markets, particularly in the Melbourne inner-suburban ring where we can focus on bringing exemplary architecture and design to Melbourne's suburbs," Chan says.

"We are also keen to explore future opportunities both interstate and internationally, especially in Malaysia, due to Fajarbaru's strong existing relationship, to take our shared vision for inspired spaces into other markets."

Chan expresses interest in looking for land "on Melbourne's Eastern Corridor due to its established links to transport and amenities as well as its strong median house prices and relative proximity to the CBD. We are also taking an interest in sites located on the city fringe, including South Melbourne, North Melbourne, Carlton and the like."

With a team of experts and a desire to build a product that introduces sophisticated city living in the suburbs, Fajarbaru-Beulah is looking to establish itself as a developer with its finger on the pulse of Melbourne and beyond.

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