

SE CommercialProperty
HD Deals for a slew of urban high-rises
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SINGAPORE and Malaysian developers have swooped on **apartment** and **hotel** projects along the eastern seaboard with an end value approaching \$1 billion as the high-rise boom rolls on.

Singapore-listed Fragrance **Group** struck a deal to **purchase** the 24-storey 555 Collins Street building in Melbourne that it plans to convert to a landmark mixed-use development.

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Fragrance **Group purchased** the building from **property** developer Harry Stamoulis for \$78 million after the failure of an earlier attempt, in a partnership with Daniel Grollo's Grocon, to redevelop the **site**.

Fragrance entered the Australian market last month with the **purchase** of a Hobart development. The Melbourne project is on a much larger scale.

Malaysian developers have also shown an interest in Sydney, with the listed Eco World announcing this week it will join with locally based Dyldam to develop 300 units on a 4775sq m **site** in Church Street, Parramatta, in the city's west. Dyldam is already involved with a number of other **residential** developments in the Parramatta CBD.

In Queensland, three Singapore firms new to Australian **residential** development registered a joint local subsidiary on Thursday night.

KSH Holdings, Heeton Holdings and Lian Beng **Group** are significant developers in Singapore, Malaysia and **China**. Their new Australian subsidiary, Wickham 186, is 15 per cent-owned by KSH, 55 per cent-owned by Heeton and 30 per cent-owned by Lian Beng.

The Weekend Australian understands the **company** has been set up for a proposed development fronting Wickham Street in Brisbane's inner-city Fortitude Valley.

That project could see three towers built on vacant land, with two **residential** towers — one 30-storey tower with 187 units and another 23 storeys with 137 units — and a third 25-storey **hotel** building.

Plans for the Fortitude Valley proposal were submitted by Marvel Investments but will be jointly developed by the Singapore companies and Perth firms Twin Ocean **Property** and Sunfire Asset.

Ralph Nunis, director of Sunfire, confirmed the **company** had been in talks with a Singapore **firm** with a view of bringing them on as an equity partner.

Southeast Asian capital could be heading back to the Australian market for new projects, according to **property** researcher Kevin Stanley.

"(**Chinese** developers) represent a relatively recent addition and it's interesting that a number of new developments could represent a fresh wave from Singapore and Malaysia," he said.

“Offshore developers are still trying to tap into a buoyant market in Australia, in terms of house prices, but they need to be careful to **buy** at a level which will still make good returns feasible.” The pressure is certainly on as **site** values start to rise.”

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