

# FINANCIAL REVIEW

SE **Property**  
HD **Greenland picks the fast track**  
BY Rebecca Thistleton  
WC 533 words  
PD 23 August 2014  
SN The Australian Financial Review  
SC AFNR  
ED First  
PG 39  
LA English  
CY Copyright 2014. Fairfax Media Management Pty Limited.  
LP

Building Melbourne's relatively easy approval system is proving to be a developer drawcard.

Greenland **Group**, the **Chinese**-backed development behemoth, will explore future projects in Melbourne ahead of Sydney, where planning approval can be granted for high-rise projects in a matter of weeks.

TD

Sydney development applications can take months, sometimes years, to be processed. In Victoria, projects more than 25,000 square metres are automatically referred to planning minister Matthew Guy, who introduced the rule to streamline and encourage development.

Despite industry warnings the city centre has an oversupply, and vacancy rates around the CBD, Southbank and Docklands have spiked, developer enthusiasm has led to approvals for the tallest projects in the Southern Hemisphere.

AFR Weekend understands Greenland, which is building Sydney's tallest **residential** tower, has been encouraged by the ease of securing a development permit in Melbourne, compared to Sydney. It is believed to be among the frontrunners to **buy** two development lots on Melbourne's CBD fringe, which are expected to sell for at least \$60 million.

Local developer Grocon put the properties on the market at the end of July. At the time, chief executive Carolyn Viney said Grocon wanted to "rebalance" its development portfolio away from Melbourne **apartment** projects.

Grocon bought the huge **site** on the edge of the CBD in 2007 for \$40 million.

CBRE agents Mark Wizel, Josh Rutman and Tom Tuxworth hold the listing, but declined to comment.

Greenland development and marketing director, Kang Xue, said the **group** would continue to look at Sydney sites, but did not want to comment further.

In a written response to questions from the AFR Weekend, Mr Xue said "no comment" about the Grocon-owned **site**, and "no comment" as to whether Melbourne was a more attractive development destination than Sydney thanks to its planning system.

Was Greenland concerned about an oversupply of apartments? "Definitely not," he responded.

Mr Guy said in a statement that the state's planning system was well placed to deal with population growth.

"In Victoria we provide a strong housing supply to provide for a quickly growing population.

"We are ensuring that we do not end up with a gross shortage of housing, and skyrocketing housing costs, like Sydney."

Greenland has previously said there is "no ceiling" for the value of its investment potential in Australia.

Already, the **group** has plans to build 1000 apartments near Melbourne's Flemington Racecourse.

The **group** is building 470 apartments on Bathurst Street in Sydney's CBD. The \$600 million project will be the city's largest **residential** tower. The **group** paid \$100 million for the **property** and has stood out among developers for its capacity to pay a premium for sites. Greenland paid \$47 million for a Leichardt **property** in March, where it intends to build 288 units.

The developer is also gearing up to launch its next project, the \$200 million, 211-**apartment** "Lucent" development in North Sydney, at the end of August.

The Turner Architect-designed project will include studios through to three-bedroom apartments and will be aimed at up-market buyers. It is expected to be finished in the 2016second quarter.

**IN** i5010022 : Residential Building Construction | ireest : Real Estate | i501 : Building Construction | iconst : Construction | icre : Real Estate/Construction

**RE** austr : Australia | greenl : Greenland | melb : Melbourne | sydney : Sydney | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania | namz : North America | nswals : New South Wales

**PUB** Fairfax Media Management Pty Limited

**AN** Document AFNR000020140822ea8n0000j