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PrimeSpace

Chinese entrants take on big boys

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SMALLER **Chinese** developers are taking on major players [Greenland Holding Group](#) and Starryland in a bid to - secure a foothold in the hot Melbourne **apartment** market.

The low-profile AZX Pty Ltd has emerged as the buyer of two development lots at the former [Carlton & United Breweries site](#) in the inner-Melbourne suburb of Carlton, which Daniel Grollo-owned developer Grocon offloaded for almost \$60 million.

The private development **company** from **China** now has the task of developing about one-third of the 2ha \$1.2 billion urban renewal precinct. CBRE Melbourne City sales agents Mark Wizel, Josh Rutman and Tom Tuxworth brokered the **sale**.

Greenland Holding **Group** made a big splash in the Victorian capital with the **purchase** of a Flemington **site** from the Victoria Racing Club last year. Starryland is moving to offload a **site** it owns in the city with approval for a 295-unit tower, with smaller **Chinese** players likely contenders.

Greenland Australia managing director Sherwood Luo said **Chinese** developers were attracted to Melbourne because it was Australia's fastest growing city. "Migration, students, education — these are the factors that entice the investors," Mr Luo said.

Starryland director Hao Liu said that Melbourne provided an easy entry for many international groups as sites were cheaper than in Sydney. "Here in Sydney it can be double the price," Mr Liu said. He said the **group** aimed for a major foothold in Melbourne next year.

But the major groups are not outpacing the smaller **Chinese** players. Lorenz Grollo last month **sold** a Collins Street **site**, the Makers Mark building at 466 Collins Street for \$25 million, to Jeff Xu's The Golden Age **Group**.

Mr Grollo secured permission for a slender "pencil tower" to rise 55 levels and the well-regarded Mr Xu now hopes to launch works at Makers Mark next year, with a 280- **apartment project** badged as Collins House.

Mr Wizel has argued that the **Chinese** push for development sites — a subject of hot debate in Australian real **estate** circles — has not dissipated. He notes that many of the high-profile development sites are being bought by new **Chinese** entrants to the market.

"Every time our team stops to think about whether the run can continue, another **group** arrives at our office signalling their intention to **buy** a development **site** to house a high density **project**," he said. On the **firm's** numbers, development sites worth \$2.15bn have been **sold** to mainland **Chinese** interests in and around the - Melbourne CBD.

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