

SE Business
HD **Local developers look for overseas partners**

BY SARAH DANCKERT

WC 413 words

PD 3 December 2014

SN The Australian

SC AUSTLN

ED Australian

PG 23

LA English

CY © 2014 News Limited. All rights reserved.

LP

Development: A greater number of offshore developers are expected to team up with local groups as Melbourne's development **site** market continues to boom, according to experts.

Only weeks before last Saturday's Victorian state election, the former Napthine government started an expression of interest campaign for E-Gate, an enormous **residential** infill **site** on the cusp of the CBD.

TD

The **sale** process comes as Melbourne is awash with capital from developers from Malaysia, Singapore and **China**.

CBRE director Mark Wizel — who specialises in city sales and retail sales — said there was a good chance that the buyer of E-Gate would be a partnership between a local developer and an offshore **group**.

"It wouldn't surprise me at all if a **group** like an A-REIT (Australian real **estate** investment trust) such as Lend Lease, Mirvac or Stockland bring in a partner from offshore for a project like E-Gate," Mr Wizel said.

He said there had been a number of examples where a local developer had harnessed capital from an Asian **group**, with Grocon successful in brining in equity investors or direct buyers for various stages or parts of its CUB **site** development on the CBD fringe.

"What you are finding now is that the smart local players who probably resented Asian capital based on the fact that the Asian capital was driving up land values and making it difficult for them to compete, have changed their attitude significantly in 2014." Mr Wizel said that in addition to the need for capital for new projects, a lot of local developers had realised that Asian groups were in a better position to market **apartment** stock offshore.

"If you've got a developer from **China** who builds say 25,000 apartments a year versus a developer in Australia who builds 1500 apartments a year, the **Chinese** developer is going to have a pool of buyers and a pool of inquiries and a database associated with their business that's 15 to 20 times larger than the Australian developer," Mr Wizel said.

KPMG senior partner Bernard Salt told a crowded Melbourne Market briefing at CBRE's offices yesterday that over the past 14 years the city's population growth has outstripped that of Sydney in every single year. "Melbourne is on the ascendancy at the moment. There's only one other time in history when Melbourne has added more to its population," Mr Salt said.

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

NS gppl : Domestic Politics | gcat : Political/General News | gpil : Politics/International Relations

RE austr : Australia | melb : Melbourne | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB News Ltd.

AN Document AUSTLN0020141202eac300036