

Development Proposal covers 500 hectares of coastal land

# Push for \$4b Geelong project

Larry Schlesinger

Listed agribusiness group **Ridley Corporation** has partnered with private developer **Sanctuary Living** on a proposed \$4 billion marina development in Geelong to replace the Cheetham salt flats along Stingaree Bay.

The proposed 20-year Nelson Cove development at Moolap would cover a massive 500 hectares of coastal land east of the Geelong central business district, south-east of Melbourne, stretching from the CSIRO Research centre all the way to Point Henry.

It would comprise three precincts: a commercial precinct, twice the size of Geelong CBD with a technology-focused business park, university, marina, ferry terminal and hotels; a residential precinct with up to 5000 homes, and an entertainment precinct with another marina plus hotels, shops and cafes, convention centre, a Guggenheim-inspired museum and a golf course.

About 700 homes will face the water and have their own private boat moorings. There is also a proposal to develop a light rail to link up Nelson Cove with the Geelong CBD and Geelong train station in partnership with the city and the state government.

Ridley Corporation, which makes animal nutrition products, owns half of the Moolap site under freehold, with the remainder owned under a leasehold agreement with the Victorian government, which has 30 years to run.

Chief financial officer **Alan Boyd** said Ridley was partnering with Sanctuary Living to get the "best value" from the real estate.

Ridley retained the salt flats at Geelong after selling its Cheetham salt business to Hong Kong-based **CK Life Sciences** for \$150 million in February 2013.

Sanctuary Living specialises in large-scale golf course residential developments. Its projects include the Sandhurst Club near Frankston, Sanctuary Lakes Resort near Point Cook and redevelopment of the former Geelong Golf Club.

Sanctuary Living director **Steven**



Artist's impression of the Nelson Cove development, which will stretch from the CSIRO Research centre to Point Henry.

## Key points

The development will include commercial and residential development.

About 700 homes will have their own boat mooring.

**Head** said: "We've produced a master plan that we believe is commercially feasible."

He said the developers are proposing that the Victorian government do a land swap and donate the crown leasehold land to Nelson Cove.

"It will come back to them in a fully improved state comprising parks, beaches and wetlands," Mr Head said.

The project requires both the approval of the Victorian government and, because it's within five kilometres of the coastline, federal government

approval as well. Mr Head said gaining the necessary approvals would take at least two years.

"We've held a series of private meetings with key stakeholders, including Geelong mayor **Darryn Lyons**, the Geelong Chamber of Commerce and community groups, who are in favour of the project."

Mr Lyons backed the project when it was launched, saying it demonstrated "confidence in the future of Geelong".

But, he said, the environmental effects would need to be examined.

Victorian state Labor MP for Bellarine **Lisa Neville** flagged "significant environmental issues".

Not in favour is the Geelong Field Naturalists Club, which has concerns that the proposed development will damage the ecology of the Moolap wetlands.

Mr Head said the Sanctuary Living-Ridley development would have a \$4 billion direct economic benefit for Geelong.

"It will create 2500 construction jobs for every year of its development and

2500 jobs permanent jobs when the entertainment precinct is up and running."

Funding will come from the same group of private financiers who backed Sanctuary Living's other projects, he said.

"We have formed fairly deep relationships with our private backers so we will be tapping them again."

Ridley Corporation will be actively involved in the approval process, but will then revert to a more passive role during the development and construction phase, receiving an income stream under a proposed royalty arrangement.

Separately from the Geelong development, Ridley is "testing market appetite," via an expressions of interest campaign, for a 912-hectare former salt fields site at Lara north of Geelong and a 316-hectare site near the Adelaide CBD.

The former has potential uses as industrial or airport land, the latter as a residential site.

## Metro's \$35m Power play

Matthew Cranston

Metro Property Group has struck a deal to buy the wealthy Power family's Central Brunswick retail property in Fortitude Valley, Brisbane, for about \$35 million.

The deal, which includes a long-dated settlement time, could see **James Power**, famed for Personalised Plates Queensland, make a \$15 million profit in just over two years.

The deal also reveals just how heated the appetite for development sites in Brisbane is at the moment.

Mr Power purchased the property through Central Brunswick Holdings from former hairdresser **Anthony Barakat** in 2012. The new deal with Metro, owned by **David Devine**, Ken Woodley and Luke Hartman, comes after the company only just finalised its own sensational deal to sell a property to a Chinese company for a \$24 million profit.

Chinese-based R & F Group exchanged contracts to buy Metro's TAFE site in South Brisbane for about \$46 million. Metro purchased the property just a year ago for \$22 million from the Newman government.

Metro's purchase of Brunswick Central was brokered by Ray White Transact's **Rick Bird**, who declined to comment. It is believed Metro would like to construct two towers of about 600 units and up to 6000 square metres of retail.

Metro chief executive **Luke Hartman** would not comment on the deal but said the company's pipeline had been building up, with 5000 apartments planned.

Metro paid about \$25 million last week for a 1.56-hectare site at 66-98 Montpellier Road, Bowen Hills, Queensland, where it plans to build 550 apartments in four or five eight-level towers.

Late last year it snapped up a portfolio of six sites from the Uniting Church Australia for about \$25 million.

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