

Developer pre-sells \$300m of apartments

11-12-13 AFR

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The push into Australia by leading Chinese apartment developer, **Greenland Holding Group**, has only just begun but already the runs are on the board.

This month the group pre-sold over \$300 million of off-the-plan apartments in its first Australian release, for the Greenland Centre in Sydney's central business district.

Greenland, which is controlled by the Shanghai municipal government and partially listed in Hong Kong, now has \$1 billion worth of work in two Australian projects.

One is the Sydney tower and the other will be on land acquired from the Victorian Racing Club at Flemington in Melbourne.

More will follow. Greenland chairman and driving force **Zhang Yuliang** said the group would have new projects in Australia within 12 months and was in "active discussions" on a Sydney site.

Greenland, which owns a casino in Korea, has also expressed interest in the new Queensland casinos.

"We need to make a thorough market study," Mr Zhang said. "Only if they are good opportunities will we invest."

Greenland also develops and operates hotels, one of the which will be included in the Sydney project.

"We hope to open one hotel in each

of the influential cities [in Australia]," Mr Zhang said. "If the project is big enough in scale, we will have a hotel with the project."

Mr Zhang, who spoke to *The Australian Financial Review* ahead of the Abbott government's decision on GrainCorp, rejected suggestions that the level of Chinese investment in the country could cause a backlash.

"As long as this government keeps its open policy and keeps its efficient policy, I am confident of a good market response," he said.

"Two years ago Mr [Andrew] Robb (now the federal Minister for Trade and Investment) visited the Greenland headquarters in China and told me the new government would work an open policy and resist adjusting procedures."

Mr Zhang, who has gained a relatively quick first stage development approval in Sydney, took a conciliatory approach to the planning constraints that plague many major projects.

"As an investor, I hope the approval process will be simplified as much as possible; but from the view of the government, they have already done their best," he said.

Mr Zhang said Australia would benefit from increased employment, new urban facilities and more tax revenue.

"Wise cities in Australia will welcome the projects," he said.



Zhang Yuliang, chairman of Greenland Holding Group. PHOTO: QILAI SHEN

Mr Zhang launched Greenland in 1992. Last year the group had sales of \$34 billion and was ranked 359th on the Global Fortune 500 list. Now it aims to have 20 per cent of its business – an annual investment of \$5 billion to \$10 billion – outside China in markets like Korea, Thailand, the United States,

Britain, Spain and Germany. Mr Zhang said the move offshore was not a response to a local slowdown.

"No, no, the Chinese market is keeping on with good conditions," he said.

Rather the group is following Chinese business, tourist, residents and students in their global moves.

"Just like all big global enterprises, Greenland is going overseas," he said.

"There are 100 million Chinese tourists around the world and this will become 200 million in the next couple of years."

The Chinese base gives Greenland a deeper pool of buyers and cheaper finance than many local developers.

Mr Zhang said 50 per cent to 60 per cent of the Australian projects would be sold to Chinese buyers, local and international. He added that Greenland aimed for an investment return of 10 to 15 per cent on each project, a figure lower than Australian rivals.

The Greenland Centre will be the tallest apartment tower in the Sydney CBD. One feature, introduced by architects BVN Donovan Hill, will be sheltered verandah style balconies.

"We spent a lot of time on the design of the balcony, thinking about how to make an external space that would not be windswept or unnerving to those fearful of heights," said BVN architect, Phillip Rossington.

At the first release, 241 of 250 apartments sold off the plan. Another 220 apartments await the next release.

David Milton, managing director for residential projects at selling agent CBRE, said the most expensive apartment in the first release was a three-bedroom unit on the 55th floor, which went for \$3.7 million to a Chinese buyer living in Australia. "We had enormous interest, about 4000 [enquiries] in the four to five weeks leading up to it," Mr Milton said. "This has been one of the most highly anticipated projects, with one of the highest level of inquiries that we've had."

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