

CEL banks on Fishermans Bend project

Simon Johanson

One of the first high-rise apartments in Melbourne's Fishermans Bend will launch this weekend as a Singapore-owned developer banks on being a first mover and price savings to draw buyers to the area.

CEL Australia's project, a \$140 million 29-level tower, will be the first of three planned for a site at 15-85 Gladstone Street in South Melbourne. The 222-unit building, designed by architects Elenberg Fraser, will be among the first high-rises to be built in Australia's largest urban renewal precinct, which will be home to 80,000 new residents.

The developer will offer the first 70 buyers significant incentives, up to \$29,000 in furniture and audio visual packages and throw in a year of owners-corporation fees.

CEL, a subsidiary of Singapore-listed Chip Eng Seng, will swim against a tide of sentiment weighing down the apartment sector when it launches its apartments with a "Graze & Growl" community-focused food truck event featuring free food and pet pampering for locals and potential buyers.

General manager Tim Pearce said the South Melbourne apartments would be priced around \$9500 per square metre, compared to average Southbank or CBD units which were between \$10,500 and \$12,000 a sq m. Australia's property market is cooling after years of rising prices, with economists predicting a slump of up to 10 per cent in Sydney and Melbourne as



Cel Australia's 29-level tower, the first of three planned for the site.

banks clamp down on borrowing and state taxes on foreign buyers begin to bite.

As a result, developers have struggled to get financing and are switching focus to office buildings where demand is surging.

Mr Pearce said CEL was unfazed by the cooling market.

"That's not particularly a concern for us. It gives buyers a chance to pick and choose quality developments," he said. The backing of Chip Eng Seng will allow CEL to begin work in September.

"We don't need bank finance to get this underway," he said.

That was partly the result of the recent sale of the Tower Melbourne development site at 150 Queen Street to Cbus Property, a project plagued by a long and bitter legal dispute that ultimately saw CEL pull the pin and walk away after refunding buyers' deposits.

The Gladstone Street complex, worth a combined \$350 million, is a block away from South Melbourne's new vertical primary school and close to the area's new park.