

Competition hots up in concrete jungle

Michelle Hele

A DESIRE to beat rising concrete and steel prices has seen a Brisbane developer speculatively build three industrial properties at Ormeau.

And constructing three at once also delivered substantial economies of scale, according to Angelo Efsthatis of Edev Property Group.

Ryder Levett Bucknall revealed in April this year that construction costs in Brisbane were marginally higher than Adelaide, Canberra and Melbourne.

It revealed steel costs had risen by 20 per cent at the start of April with a further 10 per cent predicted over the following month. Concrete costs also jumped, with increases of 10 per cent at the start of April.

Mr Efsthatis said knowing that costs were going up had cemented his plans to get three buildings out of the ground as soon as possible.

He is bullish on the leasing and sale prospects in the Yatala-Ormeau area. Edev Property Group has been buying land in the Motorway Business Park in

Yatala for some time. It settled on its first acquisition this time last year and had just finalised the purchase of the last of five properties.

All up, it has spent about \$5 million on land in the estate which was developed in a joint venture between Property Solutions and OM Properties.

Adam Wills, from Blue Commercial, was involved in all of the sale transactions

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and is now marketing the speculative buildings for sale or lease.

He said the developments were all in stage three of the Motorway Business Park. "There is not a lot of stock in that sort of size, so he (Mr Efsthatis) decided he will (just) get in there and throw them up," Mr Wills said.

While the plan is to eventually build five buildings, Mr Wills said they all varied in size and the type of businesses

they would appeal to. The first speculative building at lot 54, a 1700sq m building has just been completed, while another at lot 63, a 1400sq m building, is expected to be finished by July.

The third on lot 58 is due for completion in August.

Mr Efsthatis said: "The Eagle Farm-Hemmant-Lytton area is getting tightly held and I thought that this is the area

(Yatala) that is a good alternative to people who can't get into other areas."

He believes the size of the buildings he developed are a good useable size which would appeal to many users.

"There is always a clientele for that type of building," he said. "The reason I did the three was I had a whisper steel and concrete prices were going up.

"I not only missed the rise, but achieved economy of scale."



ECONOMIES of scale ... Adam Wills, left, and Angelo Efsthatis at 46 Motorway Ct, Ormeau. Picture: Grant Parker