

# Salvo flexible on Southbank

Scott Elliott

Salvo Property Group is planning two residential towers in Melbourne's Southbank to try to capitalise on a resurgent investor market.

The \$350 million development will comprise 800 to 850 apartments. The final number will depend on buyer demand.

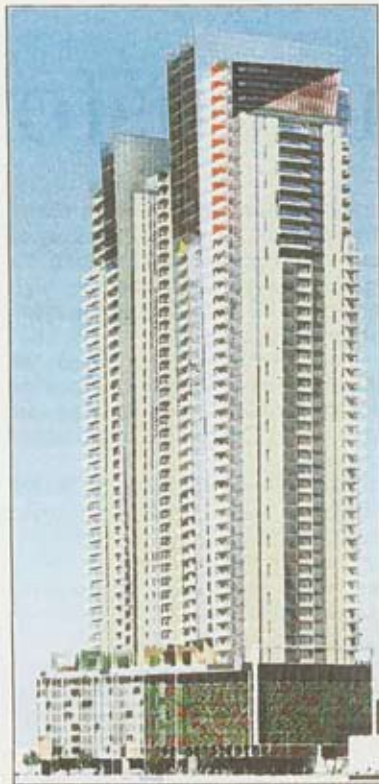
Salvo Property Group founder Mario Salvo said buyers would be able to "remove walls" and combine apartments. "The building is designed in such a way that walls may be removed, allowing the combination of extra bedrooms into an apartment," he said.

The idea comes from Salvo's 109 Clarendon Street project in Melbourne and a buyer who insisted on converting two top-level apartments into a single penthouse.

The approach is also a response to the difficulties in obtaining developer finance, given that flexible floorplates have a wider appeal. That flexibility translated into quicker presales, Mr Salvo said.

He said negotiations for development finance would get under way once the project reached 70 per cent presales. He said no mezzanine funding would be required because there was equity available from the successful completion of an earlier project.

Mr Salvo said the west tower would rise 50 storeys above City Road, Southbank, and that a living "green wall" would occupy a seven-



Staged delivery . . . the City Road project.

level podium. The east tower would be 45 storeys tall and have studio apartments on its first seven floors.

Mr Salvo said the building would aim for a six-star energy rating.

He said the apartments would be mainly two-bedroom units.

"We have designed the building

with a mix that we feel is in demand at the moment," he said. "There'll be some three-bedroom [apartments] but not many."

Vince Squillace of Squillace Nicholas Architects said the development would be delivered in stages that would fit together seamlessly.

Mr Squillace described the project as contemporary, ordered buildings with slick lines and an emphasis on the crown of the towers, which would be made from alucabond blades and reflective glass.

The development will be Salvo Property Group's third project in Southbank. It will be built on City Road land that formerly belonged to Crown Casino.

The Southbank apartment market is dominated by Central Equity, which accounts for 30 per cent of completed apartments. Dheeraj East Coast is an emerging force and it has plans for two residential buildings in Southbank.

Oliver Hume researcher Andrew Perkins said Southbank could absorb 500 to 800 apartments a year based on historical demand.

"The one-bedroom product has been the most quickly absorbed into the Southbank market," he said.

He said one-bedroom units were selling for at least \$330,000.

South-East Asian buyers, particularly those with children at university, were seen as a key buying demographic, Mr Perkins said. Developers are responding by incorporating feng shui principles into Southbank apartments.