Gold Coast Bulletin

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Construction left in lurch by lenders

WAITING, WAITING ... COAST HIGHRISES THAT HAVE STALLED

PROJECT	SUBURB	DEVELOPMENT COMPANY
Gold Coast International North	Surfers Paradise	City Planning Partners
Iluka	Surfers Paradise	Raptis (Receivers)
Highrise	Broadbeach	Amalgamated Property Group
Main Place	Broadbeach	The Potter Group
Reve Tower	Surfers Paradise	(Receivers)
Three towers	Broadbeach	The Howard Group
27-storey tower	Labrador	The Sunland Group
49-storey tower	Southport	Cienna
25-storey tower	Broadbeach	Bullish Bear Holdings
Seven-storey building	Burleigh Heads	Loucas & Zahos
Sentosa Waters	Paradise Islands	Emandar Group

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ALMOST 30,000 building projects with development approval are in limbo on the Gold Coast.

The idle developments range from home renovations to major highrises and their delay is crippling the city's growth.

Mayor Ron Clarke said a funding freeze was to blame for the predicament.

"It is the banks," he said.

"They're just not lending at the moment and you can't blame them – look at the economy.

"I can't see any 'quick fix' in the pipeline for the industry's problems.

"Everyone will just have to ride it out until the economy improves."

Planning boss Ted Shepherd said Cr Clarke was right but stressed it was not just big ticket items that had been delayed.

"The figure of 30,000 includes renovations, single dwellings, commercial development, subdivisions and high rises," he said.

Commercial developers are the hardest hit because they also need to pay for council roads, state roads, sewerage and water infrastructure.

Developer John Ellison said he was forced to move his business north to escape million-dollar infrastructure charge bills.

His decision has taken construction jobs and retail jobs out of the city with him.

Carpenter Greg Bailey said he had seen the industry rise and fall during his 15 years on the Coast.

"Banks are so reluctant to lend. It is taking its toll," he said.

"I was knocked back when I tried to renovate my home.

"The bank was so strict and would not take into account that my home would increase in value after the work was completed.

"For many small projects unreasonable building fees can be the problem.

"I have seen many builders increase their prices in the past 12 months, attempting to recoup what they have lost through work drying up and it's just not affordable for smaller developers."

Urban Development Institute of Australia Queensland president Steve Harrison said a development approval was just the first step in a drawn-out process.

"Once a development approval is given, an operational works permit must also be sought from the council – which can take longer than six months," he said.

"This long process combined with high fees, banks that aren't lending, and struggling builders causes developers to sit on approvals and this pattern is not about to change on the Gold Coast any time soon."

Development approvals can last for up to three years.

Editorial, P28