

Partnership reaps GFC benefits



TRADING ROOM

SARAH DANCKERT

market, then typically you'll be able to grow."

With turnover of \$40 million a year, those benefits are already starting to roll through. Now the company has aims of increasing that turnover to \$100m a year.

With aspirations to build a land subdivision business, the pair has a development pipeline with more than 3000 residential lots across Melbourne and Geelong.

The first project would be at Brunswick in Melbourne's inner city. At Brunswick, a fashionable middle suburb in Melbourne's north, Integrated Development is working with diversified commercial services group Spotless Group to redevelop the company's former dry cleaning warehouse into a \$50m project with 65 townhouses.

Along with the Brunswick project, Integrated Development is selling residential housing lots at Fairview at Mernda, an outer suburb north of Melbourne, and Potters Grove at Officer, which is in the city's outer eastern suburbs.

Its Officer project is a joint venture with former Mirvac boss Greg Paramor, who is managing director of listed developer and fund manager Folkestone. That project

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MATTHEW BELFORD
INTEGRATED DEVELOPMENT
CO-FOUNDER

will have an end value of \$45m, Belford says.

The company's pipeline also includes residential lot subdivisions at Plumpton in Melbourne's outer northwest and at Truganina in the city's southwest.

The Truganina development, with an estimated value of \$300m, will benefit from the state government's Regional Rail Link, Belford says, adding that two new train stations will be within 1km of houses on the estate.

Farther afield in Victoria's regional city of Geelong, the company has a \$70m joint venture development with one of the city's biggest businessmen, former

Geelong Football Club president Frank Costa, at Armstrong Creek.

"The great thing about land development is you have a sustained development profile, you can build it in stages and build it out over a number of years," Belford says.

"That's given us a great constant development pipeline which we can work on.

"We continue to be, and always will be, active in land development, but we also want to build our inner-city residential development as well over the coming years."

He says inner-city developments are "a bit more lumpy" in terms of when they happen and when they start making profits.

"We've got a base in land subdivision and we can punctuate that with inner-city projects over time," he says.

The key to the company's success, Belford says, is the complementary skills he and Garvey bring to the business.

Garvey has a background more focused on acquisitions, while Belford has spent years managing and delivering projects.

"We've probably come from slightly different backgrounds and as a result we focus on different sides of the business. It works well," Belford says.

But despite clocking revenues that would make the company competitive with other middle-sized listed residential developers, Belford says Integrated Development has no plans to list on the stock exchange.

"We've worked in both private development and public companies and we've formed the view, not for any negative reasons, that we want to be our own bosses," Belford says.

While Belford acknowledges the capital advantage and economies of scale larger listed developers can bring to their developments, he says there are benefits to being a private property company.

"The key advantage of being a private developer is speed of decision making," he says. "It means you can be more nimble."



Matthew Belford, left, with Integrated Development co-founder Jeff Garvey

STUART McEVOY