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Author: Scott Elliott

Hamton targets Gen Y before residential upturn

The team behind one of Melbourne's most successful apartment projects is at it again, planning a \$200 million mix-use development in the city's CBD.

Hamton is readopting its model of smaller apartments at accessible price points to target the Generation Y dollar as it attempts to emulate the success of its Society South Yarra Project.

Located on the corner of A'Beckett and Elizabeth Streets, plans for its latest project comprise a 50-storey building with 346 units, 64 serviced apartments, 3500 square metres of office space and a small retail offering at street level.

Hamton is jointly managed by Steve Buxton and Paul Hameister. Mr Hameister said that 2009 was about obtaining planning permission and sitting poised to deliver 1500 apartments across their three sites at Abbotsford, Coburg and the city.

"Our house view is by the middle of 2010 we'll see the early stages of an upturn in the residential sector if not earlier and by 2011 through 2014-15 we'll be in another residential boom. It will be more volume driven than price driven although there will be material increases in prices," he said.

Mr Hameister said that price growth would be more restrained than previous booms at around 10 to 12 per cent a year.

"There will be such a shortage of stock that any developer that's managed to survive the downturn with quality sites and permits will do well."

Charter Keck Cramer director Robert Papaleo agreed that there would be a "shallow" supply of new apartments when the next upturn occurred.

He said that buyer demand for apartments in Melbourne's northern CBD would be driven by investors looking to cash in on the tight rental market and young professionals.

"Particularly in the CBD north there hasn't been a lot of stock produced in the last couple of years," **Mr Papaleo** said.

"In terms of whether there's going to be a recovery by the middle of next year my view is that the housing market won't turn until we've had a period of economic stability and growth."

Steve Buxton's father Michael Buxton of MAB Corporation owned the building, which he acquired for \$8.25 million in 2004.

Elsewhere in the area, Brady Property Group is planning 452 apartments at the site of the old Stork Hotel, while residential units will feature predominantly in Grocon's rejuvenation of the former Carlton and United Breweries site in Swanston Street.