

Wuzhong International confident of city's apartments appeal

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More cemented Chinese developer Wuzhong International's plans to further expand into the apartment market, despite softening prices.

After entering the Australian market six years ago, the company launched its first residential project in February, aimed at local second-home buyers and downsizers. The 19-level luxury offering, called Bowen & Queens, has already sold about a quarter of its 214 apartments, which are priced between \$2 million and \$4.6m. Domestic buyers account for about 75 per cent of sales.

It is just the start of the company's push into the market, according to David Yihou Shen, director of Wuzhong International (Australia). Another project, a townhouse development in the southeast Melbourne suburb of Carrum Downs, is in its final stages of development.

Three or four projects being considered for the Victorian capital over the next five years, with no plans to expand outside the state in the foreseeable future.

"I think it is more an opportunity than a risk for this business. The market might drop a little further but I don't think it will be a long-term thing and the market will recover," Mr Shen said.

Units have fared better than houses in Melbourne's housing downturn, holding steady in the month of March and falling just 3.8 per cent for the year, according to CoreLogic's latest indices data.

"We still consider Australia, Melbourne in particular, the best place to live," Mr Shen said.

"Also, it is a good place to have a real estate business, even in these current conditions. I think the fundamentals of the Australian market are still solid considering population growth, and immigration is very strong, the economy is very reliable compared to a lot of places in the world and it's in close proximity to China.

"A lot of people also enjoy the lifestyle of Melbourne, and I think a lot of people would put in a lot of thought to move to Australia or invest in Australia."

Wuzhong International has more than 50 projects in mainland China. The company also has an interest in residential projects and hotels in Hong Kong and Southeast Asia and a varied commercial portfolio in pharmaceutical production, education and finance.

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