

Thai developer Supalai ties up \$200m project

Nick Lenaghan

Heavyweight Thai developer Supalai has taken a half stake in a \$200 million residential project near Geelong, as it diversifies further into the Australian market.

The Bangkok-listed player, with a \$1.5 billion asset base, has bought a 50 per cent interest in a 900-lot residential estate being developed by Michael Mai's ICD Property.

The project is at Fyansford, at the western end of Geelong, Victoria's second-largest city.

"The reason to invest overseas for Supalai, besides our financial strength, is to increase our growth potential and to diversify risk," Supalai's president Prateep Tangmatitham told *The Australian Financial Review* this week, during a board tour of the company's Australian investments.

For Supalai, the Australian market appeals for its level of transparency and clarity of the planning approval process. Supalai is also increasing its exposure as some local analysts voice concerns the housing boom has run its course in the near term.

Supalai has a longer-term view on the Australian economy, the strength of migration, the forecast need for housing in the next few decades and the purchasing power of buyers.

"We'd like to invest in more projects," the Supalai president said, adding the company was willing to invest up to 10 per cent of its growing asset base offshore, up from 4 per cent.

Supalai has four Australian projects,



Joseph Gersh, left, and Prateep Tangmatitham. PHOTO: LUIS ASCUI

including two joint ventures with West Australian developer Satterley Property in Melbourne's growth corridors.

It also backs the \$80 million redevelopment of the Rippleside Shipyard in Geelong. The project, known as Balmoral Quay, will be home to 90 luxury townhouses and a 200-berth marina.

Supalai's investment in Geelong will be welcome in a town hit by job losses from car manufacturing shut-downs and proposed cuts at Target.

The state and federal governments have been moving public agencies into

the area in a bid to stimulate the economy.

Meanwhile, the middle man for Supalai's investment is veteran Melbourne deal-maker Joseph Gersh, who has established an outpost of Gersh Investment Partners in Bangkok.

"Supalai's investment strategy in Australia is to partner credentialled Australian developers, particularly in the residential market, and this joint venture with ICD is another step in fulfilling their ambitious mandate," Mr Gersh said.