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Back with Soul and Vision

Fiona Cameron | October 25, 2007

BUILDER Grocon says construction has started on two Queensland mega-projects - both of which were subject to delays that caused market doubters to question if they would proceed.



Daniel Grollo, Melbourne property developer on Main Beach Surfers Paradise where his company will start work on a new residential apartment project. Picture: Patrick Hamilton

Chief executive Daniel Grollo said work was under way on the 77-storey Soul at Surfers Paradise and the 79-storey Vision in Brisbane.

Combined with the \$750 million twin-tower Oracle at Broadbeach - the total end value of Grocon's Queensland work book is about \$2.5 billion.

The Melbourne-based builder has signed up for all three developments since March this year, as part of an aggressive and long-term push north.

Grocon's strategic push into Queensland was prompted by the state's fast-growing population, low unemployment and economic growth above the national average for the past decade.

Mr Grollo said Queensland - and Perth - were booming. He likened their growth to Dubai and China "in terms of the vibrance, the activity, the entrepreneurial flair".

Queensland caused him to "get a feeling - that unbridled enthusiasm to go and create something incredible".

"It's the only Western place I get that feeling," he said. "I get it in the Middle East, I get it in India, I get it in China and here, so I think you live in a unique part of the world," he said in Queensland this week.

At Broadbeach, the Oracle's twin towers - of 40 and 50 levels - will offer 500 apartments and are expected to be completed in 2010.

Nearby at Surfers Paradise, on behalf of developer Juniper Group, Grocon had demolished the former Raptis Plaza on Cavill Mall, and the \$850 million Soul tower would begin coming out of the ground early next year, Mr Grollo said.

In Brisbane, Grocon has agreed to build the \$1.2 billion Vision tower in the CBD for Austcorp. Despite statements from the developer early this year that building had begun, site watchers believe only preliminary civil excavation work has been done so far on the Mary Street site.

Mr Grollo acknowledged this week that Austcorp still had "some final financial matters to deal with" but said Grocon's construction team on the Vision site considered that "it's on, it's happening". Speaking to a Property Council of Australia lunch on the Gold Coast about Vision, Mr Grollo said: "Construction has begun and we are in the ground there - but it's of a different scale. We'll spend 12 months there before we hit the bottom and get the opportunity to turn back up the other way."

Further consolidating its push into Queensland, Grocon in June took a 17.9 per cent equity position in listed Queensland developer CP1 and signed a construction services agreement with the company.

Meanwhile, Mr Grollo said he had no concerns about the prospect of a federal Labor government and did not expect more building site disputes if Kevin Rudd was elected prime minister next month.

Grocon - Australia's largest privately owned development and construction group - had difficult union battles in Victoria in the early 2000s.

But the company believed building unions, particularly in NSW and Queensland, now "have a greater maturity", Mr Grollo said..

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