

# Dig deep, think big

Privately owned property development company Meridien has made a marked impression on the Queensland marina industry with the purchase of three prime marina sites in under two years. Creating thousands of new jobs and hundreds of new marina berths, Meridien's multi-million dollar investment has secured it a key position amongst the country's leading marina owners. And the quest to add to the portfolio continues.

Investment number one – Horizon Shores – was a substantial leap of faith for an industry newcomer. However, armed with extensive expertise in multi award-winning residential and resort developments and a keen eye for a unique site, Meridien dug deep and thought big. In mid-2005 it purchased Horizon Shores for \$25 million and has plans to expand it by 15 times its current size to offer up to 150,000 sq m of industrial space, a 1,350-berth marina and fully integrated waterfront resort retail village. When complete, the project is expected to have assets worth \$450-500 million.

Project number two – Port of Airlie, at Airlie Beach – is a mixed use 28-hectare precinct with a 300-berth marina and project three, Abel Point Marina (also at Airlie Beach) a 520-berth marina with potential for expanded retail outlets and commercial services.

## Timed entry

Meridien has timed its entry into the Queensland market well. "Owning marinas 15 years ago would not have been such a good idea but it's a very different story today," commented Meridien chief executive Warwick Bible. The growth in boat ownership in Queensland is currently running at 6% and if the status quo remains, an estimated 300,000 water loving Queenslanders will own a boat in less than 10 years.

Work on the expansion of Horizon Shores is well under way. Earlier this year, construction began on the much-needed industrial space and Pacific Pontoon & Pier of Burleigh Heads installed 132 new state-of-the-art berths utilising its aluminium framed, concrete decked system. Marine Technologies supplied MP700 X1 power pedestals. Each unit has two hose cocks, two power outlets and provision for metered three-phase power. All berths also have WiFi facilities. Customers and contractors access permitted areas in the marina by using a proximity card with photo ID. These can be tracked and cancelled if required and also act as membership cards for berth holders who enjoy special privileges at other Meridien marinas.

Uptake has been swift with marina berths selling for more than \$10,000/sq m; a very significant jump from a year ago. The demand has been so great that the majority of first phase berths were sold off plan. Berths are sold on a 20 year leasehold basis with an option at the end of this period to re-purchase at current market price less 5%. This is in contrast to the general trend of selling berths on shorter leaseholds (e.g. Southport, 15 years; Sydney, 10 years). According to Meridien, it is becoming hard to obtain freehold berths and many marinas are offering rent-only slips, sometimes for just six months. Rental



*Meridien sales manager, Chris Seage, surveys the Horizon Shores model.*

prices have risen substantially in the past six months, up to 60% at some marinas in south east Queensland.

Situated on 90 hectares in Coomera, a swiftly growing region between Brisbane and the Gold Coast, Horizon Shores is set to be the state's largest waterfront development. The site was purchased from a company associated with Arthur Lowe, a long standing Gold Coast developer, who had pioneered the demand for

*Abel Point Marina has potential for expanded retail outlets and commercial services.*





marinas in the region and expanded the marina over a ten-year period by adding over 160 berths and a drystack facility. Meridien managing director, Russell McCart, said that Horizon Shores will be transformed under new plans that incorporate Lowe's original visions.

"Arthur had the foresight to develop Horizon Shores into the wonderful marina it is today. He spent years promoting and developing the area as a quality marine precinct. We want to take Arthur's vision and build on it to offer a world class commercial, industrial and tourist product. There will be nothing else like it in Australia," he enthused.

To help attract this type of marine based development and to bring new business and employment opportunities to the region, the Gold Coast City Council and Queensland State Government have identified the region as the 'Gold Coast's North Marine Precinct'. Marine precincts have also been established to capitalise on Queensland's booming boat industry and the growing trend of boat ownership.

## One-stop shop

"There's no doubt a development of this size will bring significant additional industry and employment to Queensland but more specifically to the Gold Coast and Coomera regions," McCart stressed. "With boatbuilding comes an assortment of other support services from refrigeration to hydraulics, from engineering to upholsterers, from selling anchors to fishing equipment. We will have it all in one location."

Horizon Shores has easy access to over 270km of Australia's most impressive protected waters, is minutes away from Jumpinpin Bar, the Gold Coast Seaway and the Stradbroke Islands and only 35km from the Gold Coast proper. McCart believes tourists and boat owners alike will be attracted to the fully integrated resort style village that will have everything from a day spa to childcare facilities, eco tourism businesses, a waterfront tavern, shops, supermarket and bakery.

"Horizon Shores won't just be a dock to leave the boat, it will be a destination. Be it for a weekend, a week or a month Horizon Shores will be an impressive waterfront resort village that not even the saltiest of boaties will want to leave and every landlubber tourist will want to visit."

In the meantime, it's business as usual as all aspects have remained fully operational since construction started last year. A full range of facilities, including fuelling and boat lift service, are offered and plans are afoot on the drystack element of the site. Two stacking arrangements are being designed. Stage one will accommodate up to 600 boats and stage two, a further 400. This is a significant hike from the original 350-slot facility. Both buildings are being designed with architectural enhancements and due diligence is currently being completed for both fully automated and traditional forklift systems. Firm decisions have still to be made, but the company feels that new forklift technology is hard to ignore and that such machines are advantageous as they can be used elsewhere in the yard during quiet times at the dry storage.

## Port project

A further \$500 million is also being invested in the construction of Port of Airlie, a project



*The Horizon Shores site is poised for massive expansion and will ultimately offer 1,350 berths.*

designed to rejuvenate the southern end of Airlie's town centre and lift the region's already considerable tourist status to new heights. The site is positioned between the Airlie Beach Boardwalk and the Esplanade with spectacular views and easy access to the Great Barrier Reef and the world-heritage listed Marine Park.

Built entirely on reclaimed land, Port of Airlie will have 16 hectares devoted to tourism and residential facilities and 12 hectares for the marina and will comprise: around 265 berths; a 140-bed four star hotel; eight apartment buildings of one to five storeys offering 365 homes with various views; 15 residential oceanfront blocks; and 3,700 sq m of retail space. The cruise/ferry terminal will be relocated from Shute Harbour to the southern end of the town.

Stage one of the development is expected to be completed by the end of 2009 and final completion by 2012.

## Maximising assets

Meridien's third facility, Abel Point Marina – also at Airlie Beach – is the marina hub for the entire Whitsunday region. Purchased last September for an undisclosed sum from a syndicate led by Andrew Robinson, the 27-hectare facility boasts 520 berths, including a dedicated superyacht arm and 32 retail and commercial tenancies.

Meridien's Warwick Bible congratulated the past owners – a private consortium of New South Wales and Queensland families: "They had the vision to foresee the growth of the region and build a marina that has the capacity to support vital local tourism and marina operations," he said. "The beauty of the Whitsundays is its magic waterways and islands and Abel Point Marina gives visitors access. And thanks to the marina's expansion, it has also allowed local marina-based business to grow," he added.

Andrew Robinson said the deal to hand over the marina was timely for both parties. "We had reached a stage that to go further would require specialist development expertise and a significant financial backing. We believe Airlie Beach and the Whitsundays deserve and need a marina that offers the very best and believe the decision to sell to Meridien Marinas will secure the marina's future growth. We're delighted the marina has gone to Meridien. They have both the know-how and passion for Airlie Beach to continue our vision."

*Abel Point Marina has well maintained full-service berths.*

