

FOLKESTONE AND ID LAND OVERWHELMED BY DEMAND FOR HOMES AT THEIR AMBER PROJECT IN MELBOURNE'S TIGHT RESIDENTIAL MARKET

17-Apr-2017



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Property investment group Folkestone and its joint venture partner, Melbourne developer I_D Land, is moving to exploit a tight shortage of development land in Melbourne's north to fast-track its Amber house and land project near Wollert. Folkestone has just raised a fresh \$25 million via the Folkestone Wollert Development Fund, \$19.5 million from outside investors and \$6.35 million the head entity Folkestone Limited is co-investing, the fund raising closing over-subscribed a week after it launched in late March.

The fund has an 80 per cent interest and ID_Land 20 per cent in a 42.2-hectare subdivision in the northern growth corridor in the City of Whittlesea local government area, where supply is so tight the LGA was down to just 1.3 months' supply at the end of 2016. Folkestone and ID_Land, fully aware of the tight situation, started marketing the project last November and had sold 120 lots before the project got the final tick-off from the State Planning Minister in February.

The area is benefiting from an influx of first home buyers, upgraders and a mixture of locals and new migrants who, after buying themselves, are referring the project by word of mouth to friends and relatives. "It's certainly saving us money in marketing costs," says Folkestone's head of funds management, Adrian Harrington.

According to agents, Oliver Hume, buyers of residential lots in the City of Whittlesea during 2016 were predominately:

- from the surrounding area Epping (32.1 per cent), Wollert (10.7 per cent) and Roxborough Park (7.1 per cent);
- owner occupiers (82 per cent);
- first home buyers (60.7 per cent);
- born in India (50 per cent);
- families (68 per cent);
- aged 25-34 (64 per cent); and
- professionals (53 per cent).

