

Prime time for The Valley

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Prime Space Projects has development approval for a \$140 million office tower in Brisbane's Fortitude Valley.

Prime Space, founded by South Australian directors George Kambitsis and Simon Chappel, bought the site for \$10.5 million last year amid a frenzy of office development activity.

The 15-storey tower, to be built at 358 Wickham Street, will have four street frontages and more than 22,000 square metres of 5-star Green Star office space.

The developer, known for building the Santos headquarters in Adelaide, had been seeking to get into the development cycle in Brisbane during the financial crisis.

"Three years ago Brisbane came up on our radar as a place that was suffering from the perfect storm, with the GFC and Suncorp withdrawing funding," Mr Kambitsis said.

"But we saw an opportunity. We saw that Brisbane was down a lot more than it deserved."

Mr Kambitsis admits that Prime Space's official entry into the market may be a little late. However he is confident that Queensland's resources economy will power ahead.

"You try to pick the market when it is about to upswing and yes, that upswing may have come a bit faster than we expected," he said.

He also expected the building's location, 50 metres from a railway station and a good public amenity such as the Valley Pool, would appeal to tenants.

Brisbane-based Malouf Group recently gained development approval for a \$50 million office building nearby, while developers Jack van Riet and Bill Henderson will speculatively develop a \$60 million building.

Mr Kambitsis said the development would have 50 per cent pre-commitment and he was confident it would happen in the next 12 months.

Jones Lang LaSalle's Tom Barr and Don Mackenzie will market Wickham 358. Mr Barr said there were a number of large tenants approaching a decision on where to base themselves.

"Even though there is caution in the market place from resource groups, I think the underlying demand is still there," Mr Barr said.

"The driver is that a lot of companies are looking to consolidate and go to a new premises."

"However these companies will want to position themselves in accommodation that will help them attract the best employees when resources activity heats up again."

Lord Mayor Graham Quirk said the council had approved 16 significant commercial and residential developments in Fortitude Valley in the past two years since the local neighbourhood plan was approved and there were more projects on the drawing board.

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