

landlords, was part of an unsuccessful legal challenge to halt development of a Direct Factory Outlet and retail centre at Essendon Airport in the mid-2000s. It argued that stores built on airport or federal government land can circumvent local planning rules, giving them unfair access to land as well as an unfair advantage over established centres.

"The retail and planning landscape is evolving and there are those developments which have a myriad of planning and taxation hurdles to overcome and those which don't, such as airport land," Angus Nardi, deputy director of the SCCA, told *The Australian Financial Review*.

Mr Nardi said local and state governments imposed planning requirements, including caps on retail floor space, infrastructure contributions and design requirements, which all added to the cost of developments.

But he said the SCCA would only comment on the Moorabbin proposal once it had studied the development plans. The SCCA did not oppose previous plans to build Costco warehouses at Docklands and Ringwood and will assess Moorabbin on its merits.

"Costco has been good for retailing and good for competition. We are



Costco's two existing warehouses in Melbourne were not opposed by the SCAA. PHOTO: MICHAEL CLAYTON-JONES

certainly not singling them out," Mr Nardi said.

A 15,000-square metre Costco warehouse at Moorabbin would be only a few kilometres from DFO Moorabbin, owned by the Colonial First State Retail Property Trust and Westfield's Southland Mall – both of whom declined to comment on the Costco proposal.

Councillor Paul Peulich, the mayor of Kingston Council, told the *Financial Review* the Moorabbin Airport Corporation and Costco had provided it with a preliminary briefing on its proposal late last year.

"Economic growth is a key focus for council, and the prospect of additional jobs in the area would certainly be fantastic for the local community," Mr Peulich said. "However we also need to understand any other implications, such as the impact, if any, on existing local shopping areas and traffic management."

## Growth is a key focus and the prospect of additional jobs would certainly be fantastic.

Paul Peulich, Kingston Council mayor

Mr Peulich said the council looked forward to more detailed information about the proposal when the formal plan is lodged.

"We will also be keen to hear what our community thinks before we form an official position," he said.

Tony Crabb, head of research at Savills, said he had tried to assist Costco to get into the Australian market in 1990 without success.

"Every site they wanted was snapped up so they had to go back and rethink their strategy – finding a large parcel of

land has always been their problem," he said. "It's always been difficult for Costco to get a foothold in infill sites."

He recalled a Camberwell Junction timber yard site that Costco was keen to acquire, but which had been snapped up by Woolworths.

"The big players are willing to pay whatever is necessary to get these sites," he said.

Mr Crabb said that the Moorabbin site provided a large catchment area that extended beyond the local community.

"Costco is all about destination shopping. People will drive quite long distances to shop at these stores," he said.

Preparation of the Costco development proposal at Moorabbin Airport is at the early stages, with a major development plan to be submitted in early 2014 as part of the community consultation process.

Struggling property developer **Aveo Group** (formerly the FKP Property Group) is expected to undergo a change of fortunes from 2016 as it transitions out of residential and commercial development to focus on retirement communities. Goldman Sachs is forecasting a substantially higher earnings per share profile from 2016 onwards, factoring in a much stronger upside case to retirement earnings. EPS is forecast to rise 53 per cent to 20.6¢ in 2016 with net profit surging 138 per cent to \$103.2 million.

LARRY SCHLESINGER

## National listings drop

Residential listings around the nation fell in December, down 8.5 per cent compared to the previous month and down 4.3 per cent compared to the same time in 2012. SQM Research figures showed the biggest drop in stock was in Sydney, down more than 26 per cent in December. Darwin was the only capital to record a yearly increase in stock levels, up nearly 20 per cent on the same time the previous year.

REBECCA THISTLETON

# First-home buyers settle in on the Victoria market

Rebecca Thistleton

First-time home buying is expected to improve this year after falling to 20-year lows in 2013, through state government incentives targeted at new builds.

"We don't expect things to go ballistic or anything ... this time last year we were quite pessimistic but I'm feeling much more calmer this year," said Rory Costelloe, managing director of Villawood Properties.

First-home buyers made up about 12 per cent of the finance approvals granted towards the end of 2013. The long-term average is about 20 per cent.

Mr Costelloe said the group was gearing up to launch a project on Sydney's fringe in the coming months as the city had an "insatiable" land market.

State government incentives designed to encourage housing construction should increase first-time buying this year. Mr Costelloe said first-

introduced for first-home buyers in July 2011.

"This financial year alone over 10,000 first-home buyers have saved almost \$58 million from the concession," he said.

"This year alone we have seen more first home buyers in Victoria than in NSW and Queensland combined."

While homebuying activity accelerated in Sydney throughout 2013, first-home buyers have been excluded because of a lack of affordable housing.

The NSW government has also incentivised building a new home through stamp duty concessions and first-home grants. But agent Tony Santoro of Laing+Simmons Liverpool said land release was not keeping pace with demand.

"New land releases are critical to meeting current buyer demand, however they need to be fast tracked," he

## State-by-state sweeteners

Incentives offered for first-time buyers

	Stamp duty concession for first home buyers	First home buyers grant
<b>ACT</b>	• \$20 total stamp duty for homes under \$425,000 and land under \$250,000. Part concession for homes up to \$525,000.	• \$12,500, only available to first home buyers who purchase new or substantially renovated properties
<b>NSW</b>	• New homes up to \$550,000 and land up to \$350,000 exempt from stamp duty. Part concession for homes up to \$650,000 and land up to \$450,000.	• \$15,000 grant for first-time buyers for homes up to \$650,000. Exemption from transfer duty available on new homes up to \$500,000 and land up to \$300,000.
<b>NT</b>	• Up \$7000 off stamp duty for new homes or land to build new homes.	• \$25,000 for a new home or any home in regional NT. \$12,000 for an established home in the urban area.
<b>Qld</b>	• Up to \$8750 off stamp duty on homes up to \$550,000. Vacant land up to \$250,000 exempt.	• \$15,000 great start grant for newly-built or off the plan property up to \$750,000.
<b>Vic</b>	• 40 per cent discount for homes up to \$600,000, will increase to 50 per cent in September.	• \$10,000 for first home buyers to build or purchase a new home up to \$750,000.
<b>WA</b>	• None, but lower rates for properties under \$200,000 which will be the primary residence.	• \$10,000 for first home owners purchasing a new home, \$3000 for established homes. Grant of up to \$2,000 for established homes up to \$400,000 bought through a licensed agent.
<b>SA</b>	• New or substantially renovated homes up to \$500,000 are exempt from stamp duty.	• \$15,000 first home owners grant for new home or building only, \$8,500 housing construction grant.
<b>Tas</b>	• None.	• First home builder boost is \$23,000 until December 31, 2014.

SOURCE: LOAN MARKET

the market," he said. "If we still had incentives for existing homes it would

'one size fits all' solution. Mr Smith said state governments had two main levers

towards the end of 2013. "As the prospective pool of first-home buyers