

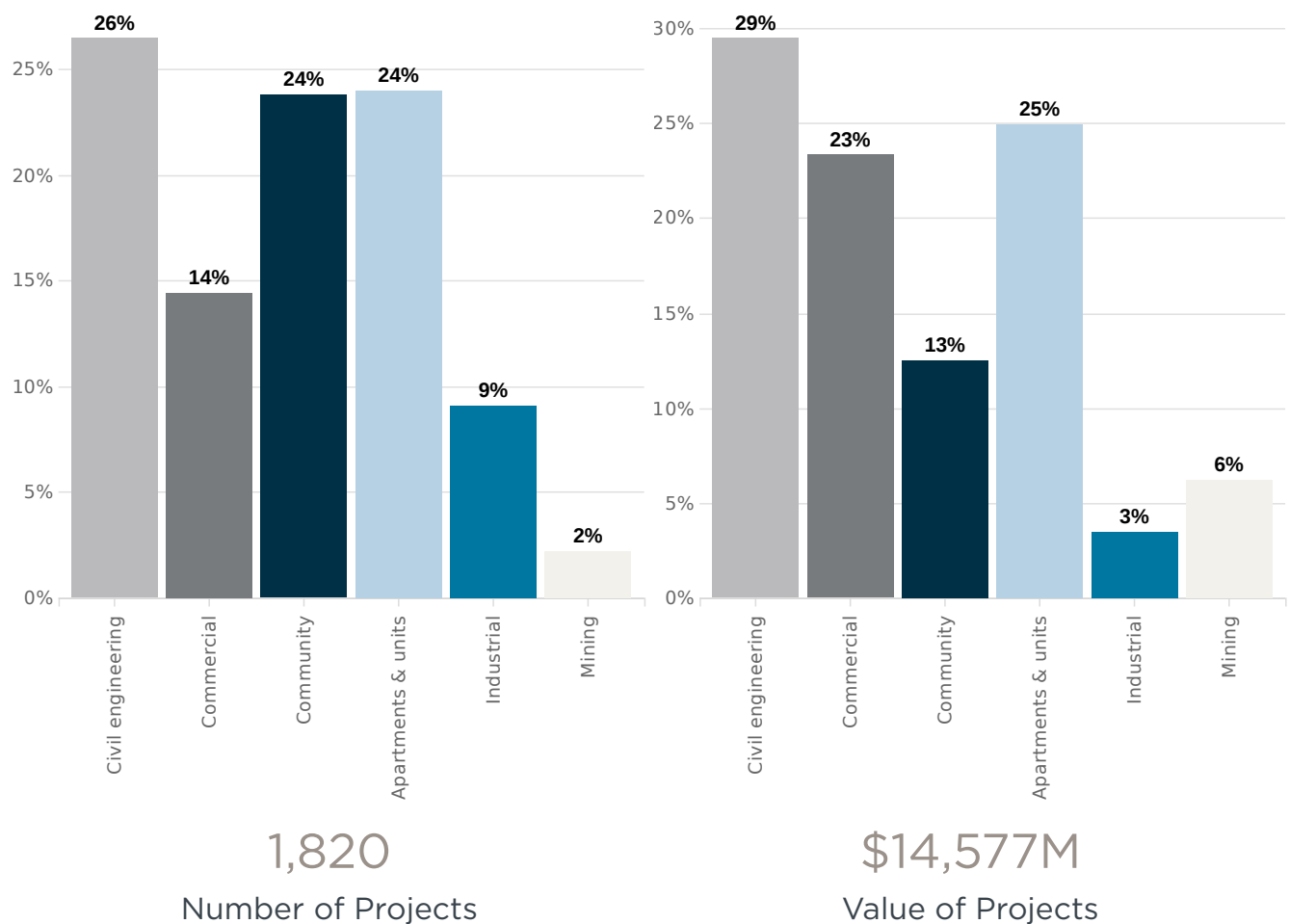
Cordell Construction Monthly

February 2019



Pipeline - Australia

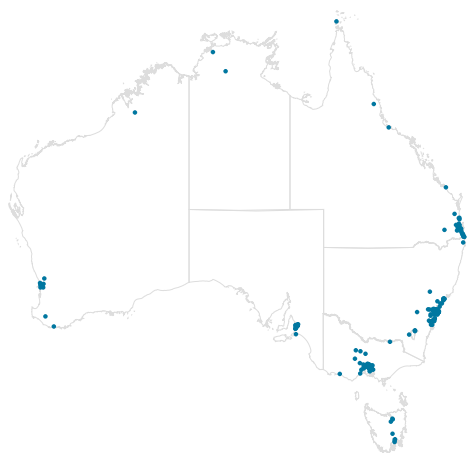
Australia's construction pipeline is showing continued strength with 1,815 new construction projects totalling an estimated value of \$14.5bn recorded in January. On a rolling 12 month basis, the number of new projects is 7% lower whilst the total project value is 17% higher compared to the preceding 12 months. Infrastructure and Community projects continue to account for the majority of new project work in both number and value, however, the headline pipeline project for January is a luxury resort in Cairns. With an estimated construction cost of \$1bn, the plan for Half Moon Bay Resort shows 1700 residential units along with a retirement complex and 300 room six star resort.



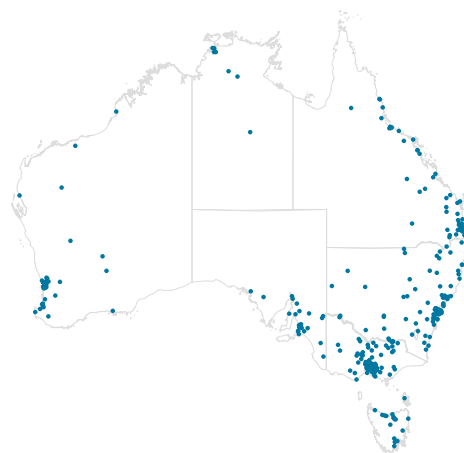
Median Project Value

Civil Engineering	\$495,000
Commercial	\$748,000
Community	\$900,000
Apartments & Units	\$1,500,000
Industrial	\$785,000
Mining	\$2,000,000

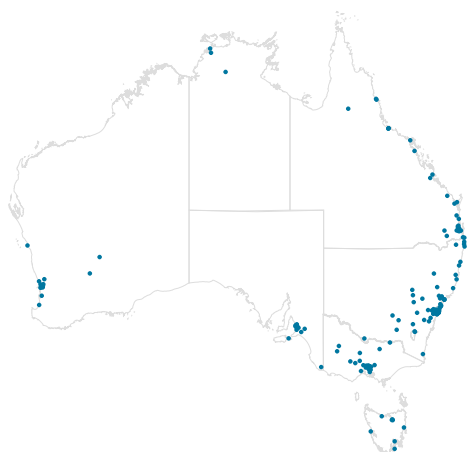
Pipeline - Location



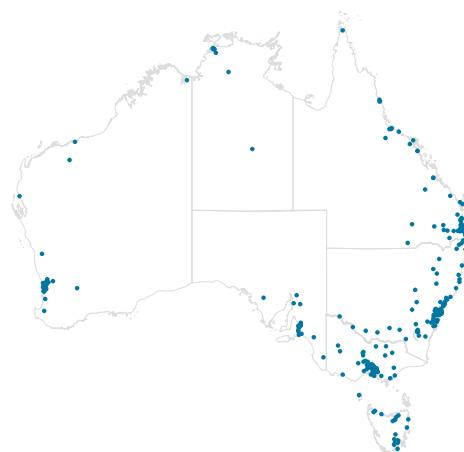
Apartments & Units



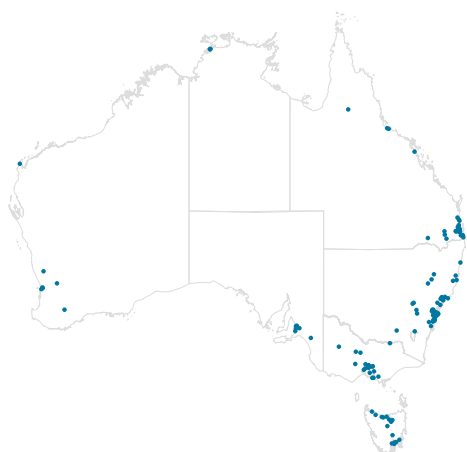
Civil Engineering



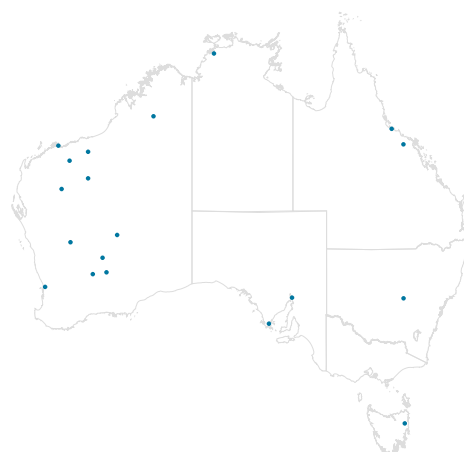
Commercial



Community



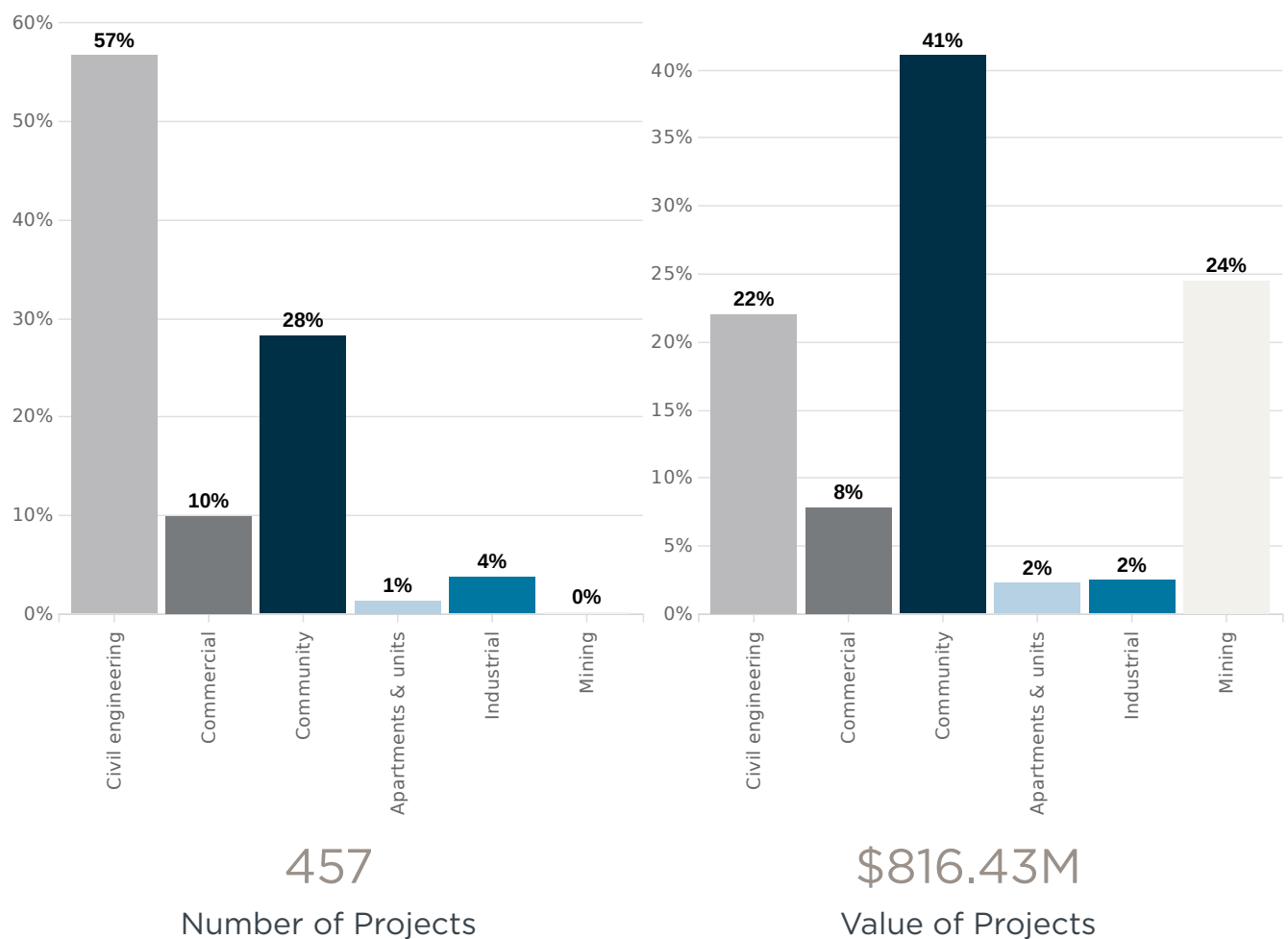
Industrial



Mining

Moving into construction - Australia

The number of projects moving into construction lifted after falling over four consecutive months. All project sectors showed an increase in activity with the exception of the number of apartment and unit construction projects which is currently tracking at just 4% of the 5-year monthly median. The value of projects moving into construction continued its downward trend, recording a total of \$816m, which is well below the 5 yearly monthly of \$3.4bn and edging closer to the record low of \$716m in April 2015. Recent reports from Cordell indicate there is \$49bn in projects originally scheduled to start in 2019 and \$37bn scheduled to start in 2020 have been deferred, suggesting the shift to construction could remain slow for this year.



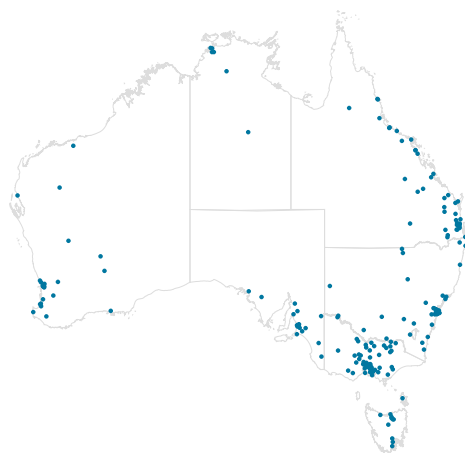
Median Project Value

Civil Engineering	\$400,000
Commercial	\$400,000
Community	\$400,000
Apartments & Units	\$1,250,000
Industrial	\$400,000
Mining	\$200,000,000

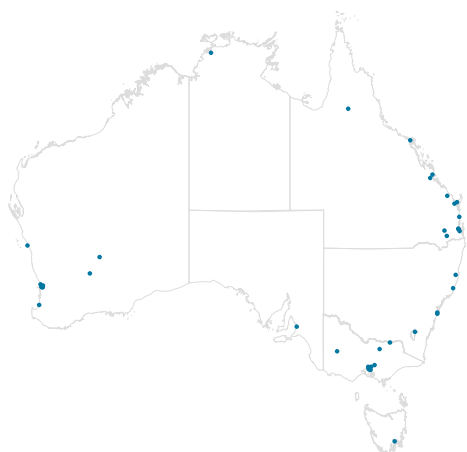
Moving into construction - Location



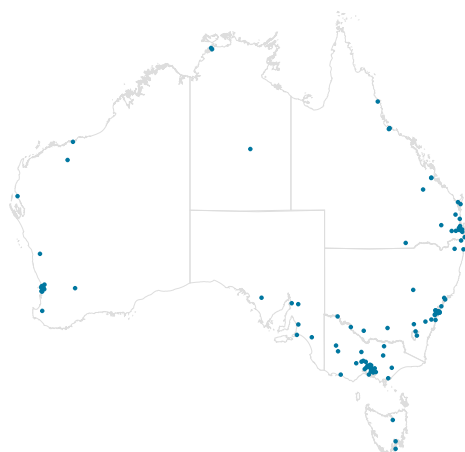
Apartments & Units



Civil Engineering



Commercial



Community



Industrial



Mining

NSW

AMP has now backtracked on its decision to demolish the Macquarie Centre ice rink as part of its planned redevelopment of the shopping centre following an interim heritage order by the NSW Government. The future of the current rink is still uncertain, however AMP has committed to retaining an Olympic sized ice rink.

BVN has been appointed to design the \$76.5 million Coffs Harbour Cultural and Civic Space. The project will incorporate centralised council facilities, a library and regional gallery and museum, youth area, digital media studio and exhibition space, as well as a cafe, small events space and technology resources.

Four community housing providers have been selected for Phase 2 of the delivery of social and affordable housing as part of the Communities Plus program. The four service agreements have been awarded to Anglicare - 550 dwellings, Housing Plus - 220 dwellings, SGCH Portfolio Ltd - 260 dwellings and Uniting NSW.ACT - 300 dwellings.

Cimic Group companies Pacific Partnerships, UGL and CPB Contractors (the Momentum Trains consortium) have been selected by Transport for NSW to deliver the \$1.26 billion Regional Rail Project as a design, build, finance and maintenance contract. The consortium will deliver a new regional rail fleet of 117 rail cars and a maintenance facility in Dubbo.

Good Luck Plaza in Blacktown will undergo a \$173.9 million redevelopment involving a new four star, 270 room hotel and 110 serviced apartments designed by Jackson Teece. The proposal also includes a 3,493sq m supermarket.

Contractors have been invited to submit pre-registrations for design/construction/operation and maintenance for Stage 1 of the F6 Extension project. Stage 1 includes a new multi-lane road link between the new M5 at Arncliffe and President Avenue at Kogarah, twin motorway tunnels around 4 km in length, a tunnel portal at Brighton-Le Sands connecting to on-and-off ramps, an interchange with a widened President Avenue.

ACT

Plans for two residential complexes in Coombs have been rejected by ACTPLA: Zapari Group's application for 212

units at the corner of John Gorton Drive and Terry Connolly Street, as well as POD Project's 123 apartment project at Arthur Blakeley Way and Colbung Street. Zapari will work on a revised plan to lodge a reconsideration application.

Geocon is expected to commence construction this March on the two Grand Central Towers in Phillip, site works are already in progress.

VIC

Bega will establish a new \$34 million lactoferrin plant at their Koroit facility in Western Victoria, following the establishment of a long term supply agreement. Lactoferrin is used in products such as infant formula and pharmaceuticals.

Hassell and American architect Solid Objects Idenburg Liu have been selected to design 18,000sq m of public space for the \$1 billion arts precinct at Southbank. The design will include an elevated park, gardens and pedestrian spaces linking Southbank's galleries and theatres with the new NGV contemporary, upgraded Arts Centre and its new Performing Arts Museum.

Golden Age Group and Starwood capital will no longer proceed with a 225 apartment project at 85 Spring Street in Melbourne, which the developer purchased from Grocon in 2017, opting to redirect funds into commercial assets in the midst of a softening residential market. Woodlink will also offload its Illoura House apartment project on St Kilda Road.

Developer Poly Australia has also decided to abandon its former plans for a residential project in Bridge Road, Richmond for a commercial scheme with potential medical services, due to current market conditions. In January, Poly also acquired a site in Buckingham Street Richmond with approval for a nine storey building with 202 units.

QLD

Detailed design on the \$662.5 million project to widen the Bruce Highway to six lanes between Caboolture and Steve Irwin Way is about to start ready for a 2020 construction date.

A development application has been submitted to



Economic Development Queensland for the refurbishment of three heritage listed buildings within Australian Unity's Herston Quarter. The Edith Cavell Building, a 1920's hospital building will undergo refurbishment for a new childcare centre known as Lady Ramsay Childcare Centre as well as commercial tenancies. The Lady Lamington Nurses Home will be converted into a 723 bed student accommodation complex to be operated by UniLodge. The Lady Norman Building will undergo a fitout for a range of uses including a food outlet, shop, health care services, indoor sports and recreation and short term accommodation.

Georgiou Group has been awarded a \$75 million contract for the Warrego Highway Upgrade Program including the \$63.3 million Dalby-Miles Pavement Widening and Safety Upgrades project and the \$11.7 million Oakey-Miles Safety Upgrades Package. Both projects will be delivered together with works to start in the coming weeks and due for completion early next year.

Canadian developer Asterion plans to build the world's largest medicinal cannabis farm near Toowoomba Wellcamp Airport. The 75 hectare facility will comprise 40 hectares of secure, purpose-built greenhouses for the production of high-quality organic medicinal cannabis, including a research and development facility, manufacturing facility, and administration component. The production facility will be automated and powered by renewable energy and is expected to have annual cannabis production capacity in excess of 500,000 kg.

NT

Eni Australia, part of global energy company Eni SpA, has acquired Epuron's 33.7MWp Katherine Solar project. Electricity for the project will be supplied under a long term power purchase agreement with electricity retailer Jacana Energy. Construction is expected to commence in the next few weeks and when completed the solar farm will be the largest in the Northern Territory.

Tetris Energy will build 10 MW solar farms at Batchelor and Manton Dam which will generate 25,000 gWh of electricity a year. The company has entered into a Power Purchase Agreement with Jacana Energy and NT Solar Investments to supply power to the grid.

SA

Initial designs have been released for the National Gallery for Aboriginal Art and Cultures at the old Royal Hospital site at Lot 14 North Terrace. A scoping study will be undertaken by PriceWaterhouseCoopers following allocation of \$200,000 in the 2018/19 state budget, along with a further \$60 million to commence construction after demolition of the hospital. Liberal Premier Steven Marshall announced a preference for an Aboriginal Art Gallery on Lot 14 over the Contemporary Art Gallery designed by American architects Diller Scofidio & Renfro and Woods Bagot. There have been some indications that this design will be incorporated into the Aboriginal art gallery. Lot 14 also has Federal funding for the \$41 million national space agency.

An Aldi supermarket has obtained development approval in the Salisbury Town Centre.

Axiom Properties and Auspac Networks are expected to submit a development application shortly for a \$180 million, 200 room hotel in Currie St to be operated by Sydney-based QT Hotels. The 23 level tower will include 9,000sq m of office space across the lower 10 levels.

TAS

Builder Fairbrother has been appointed to build the \$25 million Korongee Dementia Village in Glenorchy, designed to create real-life experiences for people with dementia.

Tenders have been invited for a redevelopment of Taroona High School. The project includes new contemporary learning areas, support spaces and music and drama facilities.

The Tasmanian Government has intervened in the Mt Wellington/Kunanyi Cable Car Project to ensure the project can progress. Hobart City Council last year vetoed the Mount Wellington Cableway Company from accessing council-owned land near McRobies Gully, however the Minister has granted authority to undertake investigations required prior to submitting a development application.

WA

Expressions of interest have been invited for development proposals for the Sunshine heritage precinct in Dalkeith. The former hospital site has been set aside for arts, cultural, community and ancillary commercial uses.

Work is now underway by BMD Constructions to deliver Western Australia's first \$47 million Smart Freeway. The project covers 13km of the Kwinana Freeway northbound between Farrington Road and the Narrows Bridge. Smart technology will be used to open and close traffic lanes in the event of an incident and adjust speed limits to get more through traffic during busy periods.

Densford Civil has started work on a \$30 million upgrade of the South Coast Highway after being awarded a \$6.4 million contract for Stage 1. Works will include widening the existing pavement between Bakers Junction to Mead Road and Kalgan and construction of a westbound passing lane between Killarney road and Montgomery's Winery.

Albany Council will vote to endorse an application to the Federal Government's Building better Regions fund for the Amazing South Coast Surf Reef at Middleton Beach. An announcement of the successful applications is expected by July this year.

Mining

Civmec has been awarded a contract for the Albermarle lithium plant in the Kemerton industrial area for the delivery of a new lithium hydroxide plant. Earthworks have already commenced on the \$1 billion project which is expected to produce up to 100,000 tonnes per annum of lithium hydroxide monohydrate from 5 processing trains. Construction is expected to commence mid 2019 with production expected to commence in 2021.



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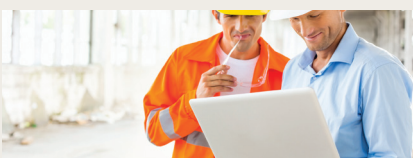
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