



# Art hotel in the right place

GIUSEPPE TAURIELLO

**E**MBARKING on a \$120 million residential development in the current economic environment may seem a gutsy move, but it's the sort of challenge Will Deague thrives on.

As chief executive of Melbourne-based Asian Pacific Group (APG), he heads the Deague family's \$500 million Art Series Hotels business, including the company's latest project – the Watson Apartments at Walkerville.

Construction has begun at the former Transport Department site on the fifth-generation property developer's first Art Series project outside Melbourne.

Early signs are the move has paid off.

More than 1000 registered buyers have signalled interest and more than 300 people turned out at last week's VIP viewing before

the public release on Saturday.

"We like taking on difficult buildings," Mr Deague said.

"We've done a number of extensive retrofits or renovations where they've been difficult buildings that other people haven't looked at. Plenty of asbestos, plenty of demolition required, and I guess it does create a bit of a vision.

"If you look at the Art Series, we built three hotels in the middle of the GFC when no one else was building – all within 2km of one another, with no take-out at the other end – and people thought we were nuts.

"But we had confidence in the mar-

ket, we had confidence in the Australian economy."

The Cullen, the Olsen and the Blackman have all gone on to great success, based on a strategy of seasonally repositioning the mix of hotel and residential accommodation.

The Watson will initially comprise 210 fully furnished apartments and 30 hotel rooms. Residents will have full access to the hotel facilities, including bicycles and Smart Cars that will be available for hire.

"We think we're ahead of the market. We were the first to do strata car parks in Melbourne, the first to do strata office space," Mr Deague said.

"We don't rely on bank funding and therefore we don't rely on pre-sales. I think with the Adelaide market being pretty sleepy for the last couple of years, it's now time."

Mr Deague is a bull in the bear market,

which prompted competing developer Watersun Property to temporarily pull its 45 Park apartment project at Gilberton from the market.

Despite missing out on the State Government's CBD stamp duty concessions last year, he is confident the Watson's price point will attract investors and owner-occupiers in equal measure. About 90 per cent of the apartments are priced between \$270,000 and \$400,000.

The number of tradesmen on site is set to double to about 200 in the next three months as the project ramps up before an opening in May next year.

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But Mr Deague is already contemplating other projects in Adelaide's residential and hotel markets, including a potential acquisition of the Epworth Building on Pirie St.

"Yeah we're looking at that - I can see a boutique hotel or some commercial office space there. It's a great spot, a beautiful building and it's got car

parking, which is rare for the city.

"We've also been made aware of the Woolshed down at Port Adelaide, but that would be a long-term sort of thing. I'm not sure about commercial here. We don't like the big 10,000sq m tenants - if we did a commercial office building here we'd like to have 150 to 500sq m tenancies."

**GUTSY MOVE:** Will Deague, chief executive of Melbourne-based Asian Pacific Group.

