

Rises absorbed

By JENNIFER O'REILLY

RISING building costs are forcing Townsville's construction giants to absorb price hikes to bring current projects in on time.

Lancini Group general manager Chris Sherwood said the group had absorbed successive price rises for petrol and building materials, such as concrete and steel, in order to complete its \$10 million Woolcock St business park on schedule.

The Woolcock St development is being built by the group's wholly owned subsidiary, Lancini Constructions.

The 10-unit business park is expected to be finished in November.

"To date we have absorbed various cost increases while some developments around Townsville have been placed on hold or will not proceed," Mr Sherwood said.

"The cost to build this development will increase as we get closer to completion."



FLOOR SPACE ... an artist's impression of the Woolcock St business park

The Lancini Group secured the 8903sqm site at 510 Woolcock St last year.

The business park will have more than 4000sqm of industrial warehouse, showroom and mezzanine office space – with individual units ranging in size from 300sqm to 600sqm.

The units will add much-needed floor space to Townsville's tight industrial property market. Mr Sherwood hinted

that prices of the industrial units could rise before November to reflect further increase in construction-related costs.

He said there had been 35 genuine inquiries into the project from tenants, investors and owner occupiers from a range of industry sectors.

The Davis Langdon Townsville tender price index increased 13.9 per cent over the 12 months to June 30 – the

highest in the country – while the increase in the June quarter was almost 6 per cent.

Fuel increases have made a significant impact on prices in Townsville, particularly because the bulk of the region's building materials are trucked from Brisbane.

Mr Sherwood said the units could be leased from \$140 per square metre net and bought from \$2000/sqm net.