

# Sharks seek help as another league project hits trouble

BRIDGET CARTER

THE Cronulla Sharks rugby league club has dropped plans to go solo with its \$120 million south Sydney property development and has launched a campaign to find a joint venture partner after the club teetered on the brink of collapse earlier this year.

It comes as local politicians, residents and lobbyists question whether at least \$500m worth of other developments planned for rugby league clubs will happen in the next few years, as the country's housing shortfall remains a hot federal election issue.

Among them is a \$100m-plus Balmain leagues club redevelopment by the Benny Elias-backed developer Rozelle Village, which had its development application refused this month.

Yesterday, Sharks chairman Damian Irvine told *The Australian* the club's previous board wanted to develop the Ilha of land surrounding the Cronulla leagues club at Woolooware, south Sydney, and secure \$60m by floating on the stock exchange.

But in the past six weeks, the group had been working with property group Winston Langley to find a joint venture partner and a recommendation was soon to be made to the board.

The group was looking for a company to provide equity and development expertise for the project, which was awarded development approval last August. "We are not developers," he said.

Earlier this year, Mr Irvine revealed the club was saved when its leagues club agreed to absorb the football club's debt. However, the trade-off was that the leagues club's annual grant to the football club would be cut to \$250,000.

The football club is expected to need \$1m this year to meet debts.

Three years ago, the Panthers Entertainment Group and ING Real Estate Entertainment Fund

finalised a deal to co-develop more than \$500m of property across NSW. That was when IEF bought a 49 per cent stake in the Panthers' 14-club NSW property portfolio for \$89m.

The listed ING Real Estate Entertainment Fund said no developments had been undertaken for its Penrith Panthers joint venture and was unable to offer further comment on when they may start.

There is speculation the fund could be sold with others in the broader ING Real Estate Australia stable.

Another rugby league development that struggled was the \$800m Oasis project, which was to have been a joint venture between the Bulldogs Football Club, Liverpool City Council and Macquarie Bank. It collapsed in 2002, when it emerged that the Bulldogs had used funds from the project to make secretive payments to their players in breach of the salary cap.

As Sydney's residential developments stall, Julia Gillard broadened her population policy pitch, promising to shield crowded cities from overpopulation but offering \$200m to underpopulated regional communities to deliver 15,000 homes.

Last week, the ING Real Estate Entertainment Fund announced it had offloaded its entire New Zealand portfolio and offered shares for 9c each in a \$39m equity raising. The debt-laden fund is thirsty for cash after making a half-year bottom-line loss of \$24.4m in February.

A masterplan has been submitted to Penrith Council by the Panthers Partnership (the name for the IEF and Panthers joint venture) for a proposed 50ha Penrith Riverlink precinct development with an end value estimated to be about \$800m.

While some said it was hoped the development would start in

2012, Penrith councillor Mark Davies questioned whether the project, which did not yet have development approval, would get underway within 18 months.

The masterplan included a retail and entertainment precinct and up to 350 retirement units, an 80-bed aged-care facility and 650 dwellings. Mr Davies said the Panthers had in the past put forward a number of proposals that had not moved forward. "No one is holding their breath," he said.

Meanwhile, Mr Elias has vowed to keep fighting for approval to redevelop the Balmain leagues club site after a \$100m-plus proposal for 170 units in three towers was rejected on the back of fierce local opposition within the Leichhardt council local government area this month. Mr Elias did not return a call from *The Australian*.



**Benny Elias makes his case for the Balmain leagues club project in Sydney, one of several sport-linked developments to have run into trouble**  
NOEL KESSEL