

Professions



Opportunity knocks:
Kim Lowman and
Shane Rothe.

ARCHITECTURE

GLIMMER ON THE HORIZON

A Melbourne firm sees early signs of life in Brisbane's moribund commercial property sector. **Report: Agnes King**

● Melbourne-based architectural and interior design firm Rothelowman Architects is expanding into the depressed Brisbane market with an eye to having 10 to 15 staff based there within six months.

"We see signs of recovery in Brisbane's commercial property market that the media and the market are missing," co-founder and joint managing director Shane Rothe says.

Architects are typically at the pointy end of both recession and recovery. They're among the first people who property developers and listed property trusts call on when buying a parcel of land because planning permits can take up to two years to clear local councils.

Rothelowman has seen the commercial property market in Victoria turn and start to do well over the past three months.

Rothe and his business partner of 20 years, Kim Lowman, expect the same of the Brisbane market and are hopeful that they can secure a foothold and good talent in the city before the recovery takes hold properly.

"There's a terrific opportunity for us to pick up staff there with such a weak economy," Lowman says.

Rothelowman largely dodged the global financial crisis. Revenue for the 2009-10 financial year came in between

\$10 million and \$11 million, up 3 per cent on the previous year.

Rothe says the company had six months of slack sales in which it shed five or six staff members but since April 2009 it has hired 25 new project architects, senior associates and draftspeople.

"We've got the strongest team now that we've ever had," Lowman says.

Sales for the first half of the 2011 financial year are up 20 per cent. Full-year revenue is expected to reach \$12 million to \$13 million.

Rothelowman's upbeat outlook for Brisbane is not shared by the Property Council of Australia. In commercial property particularly, major issues such as expensive infrastructure charges are hobbling developers.

The Queensland government views the situation as so dire that it's hosting a building revival forum in February to brainstorm ideas for restoring the state's ailing property sector.

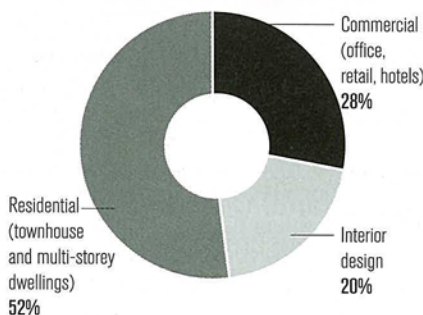
Announcing the initiative, Premier Anna Bligh said: "The global financial crisis caused a flight of private capital in commercial and multi-dwelling residential projects. Developers can't get the funds they need to build the large-scale projects our state needs."

About 11,600 jobs have been lost in Queensland's construction sector in the past 12 months. In the past three years, private sector housing approvals fell from 30,000 to 20,000, the lowest in a decade. The value of private sector building approvals fell from \$18 billion to \$11 billion.

However, buried in Bligh's downbeat utterances are statistics that may lend method to Rothelowman's apparent madness. Based on projected demand, Queensland needs 44,000 new dwellings a year but is only receiving proposals and completions for half that number, about 25,000 a year.

Rothelowman is not ruling out a merger or joint venture in Brisbane. It will use the office to service existing contracts with five-star hotels in Papua New Guinea. **BRW**

WHERE ROTHELOWMAN MAKES ITS MONEY



Source: Rothelowman