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Prefabo builders focus on Qld

Matthew Cranston

A race is on between major domestic and international housing companies to supply the Queensland government and resources companies such as BHP Billiton with thousands of prefabricated homes.

Recent natural disasters and growing housing demand in mining towns has more than a dozen companies jumping at the work.

Chinese, Indian, Japanese and German-backed operators were hot on the heels of local operators pitching to government officials.

Newly-appointed Queensland Housing Minister Karen Struthers told *The Australian Financial Review* the government had already rolled out temporary housing in south-west and central Queensland in response to the floods and further north following cyclone Yasi.

"There are more on their way and they will be connected to services over the next few days," she said.

"We have also been working with a number of demountable home suppliers who had stock on hand that we

could get out to communities straight away."

Local companies such as Riverglen Cottages, Silverline Prefabricated, All Seasons, ATCO, Glendale Homes, Ausco Modular, CNH Transportable Homes and APB Modular have already provided more than 40 one or two bedroom homes.

However, companies such as the Indian-backed Pearl Group has also made headway launching its Mi-Home product with a display home west of Brisbane. It was in talks with the government about production.

The China-based Qingdao Tenglong Aluminium Industries Co entered the Australian market with local representatives having donated two prefabricated homes to the state government's disaster appeal.

Qingdao representative Jim Colquhoun said the homes were to be built in China and shipped to Australia.

"We are contenders in the market," Mr Colquhoun said. "We think the market place is in areas such as mining camps, Aborigine communities and caravan parks," he said.



Prefabricated home builders across Australia and the world are looking to cash in on new demand in Queensland.

BHP Billiton Mitsubishi Alliance has commissioned local construction group Hutchinson Builders to make 300 houses.

"There is a lot of this happening but you have to be particularly well set up," said Hutchinson chairman Scott Hutchinson.

"We have three factories now and I think we are probably leading this industry. We are just gearing up the economies of scale now and we think it will be a very good part of our overall business in the future."

Other private companies such as

Brisbane based BMD and Happy Haus were looking to take advantage of the demand which has seen some consolidation with the \$650 million takeover of mining accommodation provider MAC Services Group by US-based Oil States International.

Some foreign enterprises have joined forces with domestic players to gain a foothold in the market including Japan's Sakisui House, which made inroads here with mass-production methods with the purchase of AV Jennings's contract housing business for \$18.5 million last year.

Other foreign companies such as the Frankfurt-listed Nexis Holdings could see enormous cost savings.

Nexis chairman Walter Filler said he had met with governments and was keen to sell housing in Australia.

"We have heard estimates that 2000 affordable homes would cost \$900 million and when we heard that we broke down laughing," he said. "An affordable standard home should cost under \$100,000."

Mr Filler said the technology and materials used were set to revolutionise the housing sector.