

Developer expands

Any company would be proud to increase its assets from \$5.2 million to almost \$70 million.

But in the case of General Properties Corporation, this growth has occurred in

just two years since the company was floated. The New Plymouth-

based company is the developer behind Arthur Young House.

General Properties began life as Northgate Properties Limited in April 1984.

The company's first project was the development of Northgate Court on land between Courtenay Street and Devon Street East.

At that time, the company intended to operate in the New Plymouth area, but that changed very quickly. In May 1984 Northgate Properties acquired a five-storey building in Wellington.

Discussions then proceeded with General Properties Consolidated Limited, another public property company which had been floated in October 1983.

Merger

It was decided to merge both companies. Northgate Properties took over General Properties Consolidated, and changed its name to General Properties Corporation Limited.

The merged group then held a significant national portfolio of property, including property in Christchurch, Wellington, New Plymouth and Auckland, but with the greater part in Wellington.

Now the company has international interests. General Properties owns 50% of General Properties Australia Proprietary Limited, a property development company based in Brisbane.

This company has just completed its first major project and is in the process of starting others.

The managing director, Mr Bryce Barnett, says the aim of the company now is to continue the pattern of growth established over the last two years.

\$70m assets

General Properties has control of assets totalling almost \$70 million, and shareholders' funds approaching \$30 million.

The company was primarily formed as an investment company, and that is still its main ob-

ject", said Mr Barnett. "But in the present marketplace, people want to buy shares which give rise to both capital growth and earnings."

"To get this, a company needs to be involved in activities that will generate cash to service an adequate dividend to shareholders".

Mr Barnett said the company operated a very tight team and was dependent on outside consultants.

"We do not employ our own architects, engineers or quantity surveyors. The secret is in having a very small team which can be controlled, and this means relying very much on outside consultants."

In the case of Arthur Young House, these consultants were: engineers — Holmes Wood Poole & Johnstone; architects — Boon Goldsmith & Company; quantity surveyors — Russell Drysdale & Thomas.

"We can attribute much of the success of the development to these people," Mr Barnett said.

Moving up

The rapid growth of General Properties has meant the company has to look further afield than Taranaki, and has moved its operation to Auckland.

"We can't keep up the same impetus in Taranaki," Mr Barnett said, "and developments outside the region are very difficult to control from New Plymouth."

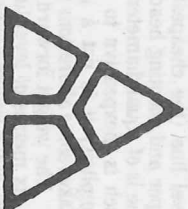
"We have to employ more staff, particularly in the development field, and we can only attract those people in larger centres."

Mr Barnett said the company would be concentrating more on developments in Auckland, Wellington and Australia.

"We have to be visible to the people who are looking for the services we provide" he said.

Mr Barnett said he was leaving his home town with regret.

"I think that at the moment there is a lack of confidence in provincial cities. In New Plymouth, people



seem to think that they are worse off than other cities, but that is not so.

"In New Plymouth there seems to be a mood of extreme pessimism. But although things are slow, they are not that bad."

Although General Properties is moving to Auckland, the company's list of achievements while in Taranaki is impressive.

- In New Plymouth the company developed Northgate Court from an old motor-vehicle retail shop. This involved demolishing several buildings and refurbishing others.
- It redeveloped a site in Devon Street East beside the State Theatre from a vacant piece of land and sold it to Oldins Pension Fund.
- The company refurbished the old Tingey's building opposite the main post office in the city.
- It refurbished the old Phillips & Impey building near the intersection of Devon and Lizardet Streets.
- It built Arthur Young House.
- The company is developing the site of the old Shanton building on the hill in Devon Street.