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## MFS Diversified running own race

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**BOS International (Australia) has come to the rescue, partnering up with MFS Diversified Group for a \$130 million residential project at Kirkwood in Gladstone, Queensland.**

Under the deal, MFT which is in the process of changing its name to Geo Property Group, will receive acquisition, development management and sales and marketing management fees under the terms of the joint venture, as well as profit participation from its 50% equity interest.

The 110 hectare site is expected to yield 615 allotments with first sales to start in June 30, 2009. The site has full development approval for stages 1 and 2, comprising a total of 62 lots. Preliminary approval has been granted for stages 3-24, comprising 544 lots.

MFS Diversified Group's managing director Guy Farrands said the new partnership provided the group with the opportunity to execute the development in accordance with the original timetable.

"The challenges facing MFS necessitated we move quickly to secure a new partner for the project and we are extremely pleased one of our existing lenders was interested in partnering the project with us. It is a tremendous vote of confidence in both the project and the group more broadly," he added.

The site was originally earmarked for development under a 50/50 joint venture with an unlisted land development fund to be jointly managed by MFS Limited and MFT.

"The group remains committed to the land fund model and has been investigating measures to establish an in house fund management and distribution capability.

"Going forward you will see an increased use of third party capital by the group, potentially through both land funds and joint venture relationships." Farrands said.

"We are very pleased to be able to build on our existing relationship with such a well-respected operator. We have confidence in the demand for residential development in Queensland over the longer term and are impressed by the terrific potential of the site at Gladstone," BOSI's director of joint ventures Craig Newnham said.

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