



Receiver revives Westpoint's Melbourne flagship

By **HELEN WESTERMAN**

RADICAL changes were suggested to the finishings of failed property group Westpoint's Port Melbourne Bayshore apartments before receiver KordaMentha was appointed, according to an internal report.

About 4000 investors stand to lose up to \$300 million from Westpoint's mezzanine (unsecured) finance deals from properties such as Bayshore. More than 2000 investors are suing their financial advisers in what is shaping as one of Australia's biggest class actions.

KordaMentha will ensure the level of fixtures and finishes complies fully with the pre-sale contracts. A project management report made in June 2005, obtained by *The Age*, lists kitchen appliances, taps and exhausts as

items where savings were made. But other cost-cutting on items such as carpets, cladding and glazing was not carried through, says project manager Complexity Project Services.

The 306-unit residential development with 18 ground-level retail shops on Bay Street is one of two major properties that failed property group Westpoint had under way. The development was placed in the hands of receiver KordaMentha in January by second-ranking debt holders Bridgecorp Finance and HFL Australia Pty Ltd in January.

According KordaMentha partner Berrick Wilson, the project is 94 per cent unsold. Korda-

financial advisers in what is shaping as one of Australia's biggest class actions. ¶

Mentha is working to complete the project and to sell the remaining apartments.

The report suggested changes to finishings, such as replacing 40-ounce carpets with 32-ounce carpets and using thinner glazing on aluminium windows and doors. But project manager Adam Cole said the changes had been suggested by a consultant but were not carried out.

KordaMentha partner Berrick Wilson said in a statement it was committed to delivering purchasers with their contracted apartments.

Investors are suing their



The planned Bayshore apartments in Port Melbourne.