

High risk mining tiddlers worth watching

NEW floats of any size on the Australian sharemarket are now unlikely to make an appearance, and certainly not a listing, before mid-February.

That's the nature of the local market at this time of year, thanks to the fact that very few major investment decisions are taken between the end of the first week in December and Australia Day at the end of January. It certainly doesn't mean that the market's heading for a bust.

Kathmandu Holdings' \$1.70 a share float on November 12, giving



doing business
Andrew Main

the company a market value of just over \$340 million, was the last industrial float of size that we'll see before Christmas. It was something of a make or break exercise because it represented a sell down by private equity owners, who had notoriously overpriced the Myer Holdings offering by setting a price of \$4.10 a share before it listed on October 30. It has never since been any higher than \$3.92.

While Myer shares have effectively been underwater ever

since the float, the much smaller Kathmandu float has never been below its issue price, or hadn't been at the time this was written. That gives some solace to the many private equity owners hoping to re-list companies on the sharemarket in the first quarter of 2010.

And there's probably only going to be one mining float worth more than \$50 million, Q Copper, hitting the boards before everything shuts up for the summer.

Q Copper is what's called a spinout from an existing company, Cape Lambert Iron Ore, so although it is seeking just over \$200 million, the existing structure means the new company

is slightly easier to set up. It will operate the Lady Annie copper mine near Mt Isa in Queensland and is scheduled to list on December 21.

What is remarkable is how many small mining floats that will pepper the boards throughout this month.

ASX Ltd's website recently listed 23 small mining floats that plan to list this month having mostly raised anything between \$2 million and \$10 million. Gold, iron ore, uranium and base metals are all targets and these companies aren't just expecting to work in Australia: several of them have high hopes in Central Asia and elsewhere.

They're seeking \$156 million altogether and they probably represent a higher risk for investors, but the local sharemarket was ever thus.

There probably won't be a lot of institutional money is invested in them, although there is a growing number of international resource funds that are prepared to do the research and pick potential winners. Just remember that all the biggest mining companies in the world started out, in one way and another, as tiddlers.

■ **Andrew Main is The Australian's Business Editor. For breaking business news visit theaustralian.com.au**

Property is now a girl's best friend

Amanda Davey

DID you know that women are two-and-a-half times more likely to live in poverty in their old age than men, and that on average women will have half the amount of superannuation as men?

Or that the pay gap between men and women starts from the moment women leave university, with female graduates earning on average \$2000 per annum less than their male counterparts.

But North Curl Curl property developer Jo Chivers reports that there are some women who are making up the shortfalls for themselves, rather than waiting for their employers to do so.

"These property powder puffs are not just buying houses but taking on developments without even batting an eyelid," she said, citing a massive increase of women taking the next step into developing property.

"There is no better time to take advantage of market conditions."

Ms Chivers, who runs Property Bloom – a firm of development project managers – said that for every male client she has three female clients.

And she said these women are not afraid to climb out on a limb.

"They are developing up to four properties from one.

"However, while we are good at multi-tasking, it doesn't mean women are rushing in blindly.

Instead, she said women are very astute and carry out extensive research before making any decisions.

"They see the value of using a professional development manager to fast track the process because these are extremely busy women, often juggling fulltime work or their own business and raising children."

And so is Ms Chivers for that



North Curl Curl's Jo Chivers runs a firm of development project managers.

matter, with two young boys of her own.

Featured in a new book, *Property is a Girl's Best Friend*, Ms Chivers said it is written by women for women. "The book is really important as we are seeing that most women's superannuation is typically half that of a man's at retirement age," she said.

"Plus 40 per cent of women over 50 will be single through choice, divorce or death of their partner, so it's important that we set up our futures and not rely financially on our partners."

According to the book, now is as

good a time as any for property investment, with Australia's housing shortage likely to get worse before it gets better, as construction of new housing continues to fall well behind the number of properties required.

Add to that forecasts by the Federal Government showing that the Australian population will increase by more than half to 35 million by 2049, and the rising demand for rental properties, and it does paint a picture of housing demand far outweighing supply. "The HIA (Housing Industry of Australia) recently announced

that we will need to build more than 70,000 new homes every year in order to meet demand," Ms Chivers said.

Of course, in Sydney property development is notoriously expensive, and with that in mind, Ms Chivers said she focuses her attention on the fast growing Hunter region. With the state's biggest housing project collapsing after Planning Minister Kristina Keneally admitted she acted unlawfully in approving the 7200 home Hunter Valley proposal, demand is expected to outweigh supply in the short term.

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