



Business  
**Market Wrap**

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SALES

Melbourne

CBD strata offices are selling on sharp yields. A whole office floor at level 3, 501 La Trobe Street was snapped up by an Adelaide-based owner-occupier. Colliers International's Chris Ling and Anthony Kirwan, in conjunction with Sutherland Farrelly, negotiated the sale of the 280 sq m suite - plus car park - for \$2.31 million. It sold with vacant possession at a building rate of \$8250 sq m. Another strata office on level 2 at 55 Exhibition Street went for \$3 million. Mr Ling said the 2.36 per cent yield was the sharpest for Melbourne CBD in recent years. The property was leased to Ashley & Martin on a five-year term. Another 111 sq m corner suite on level 2 at 2 Collins Street changed hands for \$1.13 million on a 3.62 per cent yield. It was leased by Collins Street Dental on a 5+5+5-year lease. "Most strata offices are transacting within a range of 5-6 per cent," the agents said.

Burwood

A block of 14 student accommodation studios opposite Deakin University's Burwood campus has sold under the hammer for \$3,105,000 - \$605,000 above the reserve price - 216 Burwood Highway was bought by a Chinese investor, who outbid five others. It sold on a sharp 4.2 per cent yield, CBRE's Melbourne's Mark Wizel, Nathan Mufale, Dylan Kilner and Leon Ma said.

Newport

A rare bluestone Victorian homestead on a 1606 sq m block at 481 Melbourne Road sold at auction for \$3.05 million. CVA's Bradley Ellul said a couple moving from Sydney bought the property. The building's 22 rooms are being used as boutique accommodation.

South Melbourne

A three-level corner office building at 87-91 Palmerston Crescent received more than 100 inquiries before selling for \$3.9 million at auction, Colliers International's Ben Baines, Ted Dwyer and Daniel Wolman said. The building, offloaded by Ewert Leaf and Moda Corp, sold on a 5.33 per cent yield. Early Bird Is The Word operated the ground-floor cafe, while Ewert Leaf will stay in the office on a short-term leaseback. "The eventual sale price represents a more than 25 per cent increase on what the vendors paid for the building approximately two years ago," Mr Baines said.

Dandenong

A private investor has picked up a 7036 sq m office/warehouse for \$8.45 million. Savills Australia's Kosta Filinis brokered the deal for 34-46 Evolution Drive at a rate of \$1200 per sq m on behalf of Campbell Constructions. "There are limited assets available in this market and diminishing serviced land supply, which is pushing land rates up," Mr Filinis said.

Doncaster

A Chinese developer has purchased a permit-approved development site in Doncaster, as land rates in Melbourne's east continue to grow. Savills Australia's Benson Zhou, Julian Heatherich and Dorothy He sold the 1337 sq m property at 26 and 28 Bordeaux Street for \$3,775,000, saying the campaign generated more than 120 individual requests for information.

#### Kilsyth

JLL's Simon Wellock and Brad Esler have sold a 5150 sq m industrial showroom/warehouse at 97-107 Canterbury Road for \$5.1 million. The property on one hectare is leased to EzyTrail Camper Trailers for the next five years. The investment offered the purchaser a solid holding income and future development potential, Mr Wellock said.

#### Mitcham

Several bidders had their eyes on a strata shop leased to Sandton Hair Gallery at 541B Whitehorse Road before it sold under the hammer for \$770,000, more than 30 per cent above the reserve. "A sharp yield of 4.2 per cent shows the strong demand on busy retail strips in the eastern suburbs," Gorman Commercial's Alex Browne and Andrew Prowse said.

#### Keysborough

Angus Clark and Al Armstrong from Cameron have sold 5/1 Southpark Close. The 320 sq m new office/warehouse sold with vacant possession for \$705,000 to a passive investor, they said.

#### Port Melbourne

A boutique two-level office/warehouse at 10/3 Rocklea Drive sold with vacant possession for \$455,000, at a land rate of \$6500 per sq m, Gorman Commercial's Dean Alexander said.

#### LEASES

##### Richmond

The Tigers' roar is staying close to home. Richmond Football Club has leased level 1 at 226 Swan Street for its expanding sports science training program. Fitzroys' Ervin Niyaz negotiated a 3+3-year deal at \$35,000 per annum. The office is above the Spud Bar and Urban Man on the popular strip.

##### Campbellfield

A 28,330 sq m industrial site has gone from hosting hot rods to pipes. Piping business Enviropipes has leased a facility at 33-49 Glenberry Road, formerly the home of Ford Performance Vehicles, on a seven-year lease, with two options of five years. Enviropipes will pay \$500,000 net per annum in a deal negotiated by JLL's Mario Moscon and Anthony Cannizzaro. Over the past decade more than 50 per cent of all take up in the north has come from the transport and logistics sector and less than 2 per cent from construction/manufacturing businesses, JLL says.

##### Port Melbourne

Rail company Nu Group Rail Solutions has leased a new office headquarters at 99 Cook Street for \$200,000 per annum net. CBRE's Jake George and Guy Naselli said the deal was struck on a 3+3-year term. The property has an open-plan office and large clear span, high-clearance warehouse.

##### Melbourne

A new restaurateur will take over the Bluestone Bar & Restaurant after agreeing to lease terms of \$216,500 per annum gross. The new tenant at 349-351 Flinders Lane, which provides a formal dining room on the ground floor and a large function room with a bar in the basement, will offer a Japanese fusion menu following a major refurbishment, Teska Carson's Richard Munday said.

##### Melbourne

International coffee chain Starbucks has leased a shop near the corner of Bourke and Exhibition streets at 168 Exhibition. The seven-year lease, facilitated by Colliers International's Jarrod Herscu and Stephanie Harding, is Starbucks' first shop outside the CBD retail core. It will pay gross face rent between \$1400-\$1440 per sq m.

##### St Kilda Road

Advertising company The Fuel Agency has moved from East Melbourne to level 11 at 390 St Kilda Road. Colliers International's Chris Meehan negotiated a four-year lease, alongside colleague Matt Cosgrave, at gross face rent of \$450 per sq m. The pair also leased a suite on level 17 at 390 St Kilda Road to property developer VMD on a three-year term for the same rate.

#### Hampton Park

TAB has leased Shop 66 at Hampton Park Shopping Square on a seven-year lease term agreeing to a net annual rental of \$99,450. Greenwood Capital is the lessor of the shopping centre which is in Hallam Road, Knight Frank's Paul Pellegrino said.

#### Glen Iris

A shop used as an office at 1628-1630 High Street has sold for \$1.03 million at a Teska Carson auction. George Takis and Michael Ludski said the property sold at the "extraordinary" rate of \$6095 a sq m.

#### Dandenong South

Contemporary Finishes will move into 45 Babbage Drive. The business has significantly upsized and will pay \$128,000 per annum for the 1377 sq m new office/warehouse for the next five years, Cameron's Al Armstrong said.

#### MOVERS

Diversified commercial property group Quintessential Equity has appointed former Colliers International agent Paula Stevenson as asset manager, with a mandate to implement the firm's "love the tenant" philosophy of treating tenants as valued clients.

Submissions to [sjohanson@fairfaxmedia.com.au](mailto:sjohanson@fairfaxmedia.com.au)

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