



**SE** Business - Commercial Property  
**HD** **Developer spends big on former Lilydale quarry**  
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Capital Gain

Melbourne developer Intrapac Projects is paying more than \$40 million for a 162.7-hectare former quarry in Lilydale that needs more than \$50 million invested to fill it before it can be subdivided into one of the state's most significant new housing projects.

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The sale of the ex-Lilydale Quarry by Belgian multinational Sibelco, ends the site's 140-year association with the outer north-east suburb. The company announced it would close the mine last year, 12 months ahead of schedule, citing a depletion of its limestone assets.

In recent years, the Yarra Ranges Council, state government and Sibelco have been working on a residential repurposing of the parcels known as 4 Melba Avenue and 451-453 Hull Road. Public documents branded Plan Cave Hill show the redevelopment can make way for more than 2500 house-and-land plots.

Sibelco acquired the pit, originally a family-operated business, in 2002. The sale campaign was managed by Knight Frank's Ken Smirk and Michael Hede, with Charter Keck Cramer's Andrew Grant and James Holding, the transaction advisers. The sale price is considered relatively low compared to the going market rate of Lilydale land because the cost to fill the hole is estimated at well in excess of \$50 million.

Sibelco's sale comes in the same month the Baillieu family offloaded a 4953-hectare property near Melton to Chinese developer, Fucheng Group, for about \$100 million.

In Donnybrook, nearly 50 kilometres north of town, Satterley - the country's largest privately owned residential land builder - paid \$34 million for 68 hectares, expected to deliver 1000 small house lots by 2018.

Jilted landlord

The owner of a Fitzroy property jilted by their high-profile tenant, is seeking a new relationship. Raine & Horne Commercial is marketing 337 Smith Street, a historic corner shop, that was occupied by bridal business Primrose & Finch which suddenly shut. Its New Zealand managers Kerry and Matthew Smith reportedly escaped debt by travelling to the UK.

The closure has left brides without dresses for wedding dates, some this month. In a liquidator report, agency Raine & Horne is one of the creditors, on behalf of the landlord, said to be owed three months'

rent plus outgoings. The 118-square-metre showroom on the north-west corner of Johnston Street is being released by Francis Sbaglia, only a year after Primrose and Finch moved in.

#### HQ sold

A Clayton South factory leased for the past 10 years to McCormick Foods, and next door to another factory, occupied by the company for four decades, has sold to a local investor for about \$6 million.

The property at 63-69 Fairbank Road covers 1.1 hectares and includes a 5844 square metre office warehouse. Based on the annual rent McCormick Foods pays of \$442,496, the asset exchanged on a yield of just over 7 per cent.

GormanKelly selling agent David Minton attributed the current low interest rate environment for the solid result, saying properties of this type have historically traded on yields closer to 8.5 per cent.

Mr Minton added that Fairbank Road's remaining lease period - four years - was considered too short for many investors in the circa-\$5 million price bracket.

Nonetheless, the Clayton South property sold for half a million more than expected, within days of the agency closing an expressions of interest campaign. The site, and the neighbouring manufacturing plant, form the national head office of McCormick Foods, which was established in the US in 1889.

#### Formosa House

One of the busiest intersections in Melbourne's middle-ring eastern suburbs will make way for a \$40-million plus residential project after selling to a developer.

Nunawading's Formosa House restaurant site, at 86-88 Springvale Road, on the corner of Springfield Road, covers 2139 square metres, and sold after a campaign also targeting owner occupiers, investors and service operators, related to aged care, child care and medical. Not offered with a permit, the General 1 zoning allows for a medium density development. Savills Nick Peden and Jesse Radisich sold the parcel for a speculated \$4 million.

#### Neighbours sell

Two neighbouring sites in Werribee, west of Melbourne, have sold in deals totalling \$10.55 million.

In the biggest transaction, the historic Bridge Hotel, on a 4000 square metre site at 197-199 Watton Street, sold for \$5.4 million following a campaign targeting developers and owner occupiers. The asset includes a double storey, 1926 red brick building, and several extensions, and was refurbished in the 1990s.

Meanwhile, an investment property next door, a Toyota dealership on 3568 square metres of land at 201 Watton Street, has traded for \$5.15 million. Both assets were marketed by CVA's Charles Cini and Robert Cubelic.

#### Twice the price

Developer Golden Age Group has bought a prominent Box Hill supersite from the City of Whitehorse council for \$51.8 million - almost twice the price expected when it hit the market in March.

At 517-521 Station Street, and incorporating the Cambridge Street Car Park and Central Box Hill Children's Services Centre, the 7344 sq m block is expected to make way for a multi-tower project incorporating apartments, and possibly offices and hotel rooms, atop a lower-level shopping centre and car park.

The sale price, equating to \$7053 per sq m, is particularly impressive given the deal came with redevelopment conditions - among them, that Golden Age Group incorporate large public spaces and build a new 104-place childcare facility (the existing centre caters for 35).

Council described the transaction as a "tremendous outcome for the city" adding the campaign generated strong developer interest.

Golden Age last year was trying to bank some \$40 million selling 525 Station Street, next door - a project it had earlier been marketing to apartment buyers as Sovereign Square. Instead, director Jeff Xu decided to retain the 2417 sq m property, relaunching the 35-level, 435 unit proposal earlier this year, as Sky One.

When council listed 517-521 Station Street, it carried price expectations of between \$25 million and \$30 million. Knight Frank selling agents Ken Smirk and Tim Grant declined to comment, other than to confirm the site sold.

Other recent sales in the Box Hill central activity district include 826-830 Whitehorse Road, covering 2650 sq m, which exchanged for \$30.8 million and 837 Whitehorse Road, which sold for \$13 million. The owners of a 1972 sq m block at 843 Whitehorse Road listed it for sale this month, in what is expected to be a \$20 million transaction.

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