

Hengyi pays \$20 million for Carlton & United Breweries Abbotsfield HQ

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Chinese investment vehicle, Hengyi, has made another foray into the Melbourne property market, emerging as the buyer of the Abbotsford headquarters of Carlton & United Breweries.

Hengyi has paid more than \$20 million for the office building and warehouses adjacent to CUB's nine-hectare brewery on the Yarra River.



2-6 Southampton Crescent was built in 1928 for Kodak.

The curved five-storey office building at 2-6 Southampton Crescent, built in 1928 for Kodak returns \$2.2 million a year in rent.

The acquisition includes a vacant warehouse at 36 Bond Street and another complex of warehouses at 10-32 Duke Street, which is on 2404 square metres and returns \$516,286 a year.

Their leases expire in December 2017. The buildings were part of a portfolio sale and leaseback deal struck in 2007. Charter Hall and the Wyllie Group paid \$41 million for 10 properties on two hectares around the Abbotsford brewery.

After the sale of parts of the portfolio, the Wyllie Group paid \$18.3 million in 2009 to become the sole owner of the remaining properties.

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The transaction was negotiated by agents Dawkins Occhuito and Vinci Carbone, who confirmed the sale but declined more information.

The high-yielding investment is expected to be a long-term hold for Hengyi, who will re-lease the space after CUB moves out.

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The area has a special zoning underpinned by the Abbotsford brewery. Although CUB has stressed it has no plans to close the brewery, its eventual closure will lead to a rezoning of the area and redevelopment of the surrounding buildings.

Hengyi's other projects include the development of the long-abandoned 199 William Street tower in the CBD into a 500-plus apartment complex and the 69-level Light House tower overlooking Queen Victoria Market.

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