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SE Business - Commercial Property

HD **More car dealers driven out by city apartments**

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WC 1,053 words
PD 1 November 2014
SN The Age
SC AGEE
ED First
PG 12
LA English

LP

Capital Gain

A surge in developer interest is expected to drive another car dealership out of prime city digs within a few years.

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In an off-market deal, Sydney Roosters chief Nick Politis has sold the City Lexus dealership at 551-575 Elizabeth Street, Melbourne, to a local investor for a speculated $15.5 million.

The double-storey building occupies a 2386-square-metre block between the Queen Victoria Market and Haymarket roundabout.

Much smaller sites in the area (including a former Peugeot dealership) are making way for towers of about 20 levels.

Many of the precinct's new buildings have close-range skyscraper views over the City Lexus and nearby Melbourne City Toyota dealership rooftops.

ICR Property Group managing director Raff De Luise declined to comment about the 551-575 Elizabeth Street campaign.

It is the third Elizabeth Street supersite the agent has sold in recent years (ICR also offloaded City Peugeot and a former Elizabeth Street hardware store, now an apartment tower).

Four months ago, Bob Jane Corporation sought permission to increase the permissible density of 683-699 Elizabeth Street, a tyre retailer that abuts the Haymarket roundabout.

The former City Mazdasite opposite Flagstaff Gardens is also making way for apartment buildings.

School site sold

The Napthine government has sold another former school, this time in outer south-east Keysborough.

The 2.2 hectare site at 21 Loxwood Avenue, abutting the Harold Box Reserve and Keysborough Community Park, sold to an offshore developer for $7.7 million and is expected to make way for a medium density townhouse project.

Knight Frank's Ken Smirk and Adam Vocale were the marketing agents.

Last month the agency sold a former school in the nearby suburb of Eumemmerring for $6 million. Earlier this year the state government reaped more than $70 million selling nine schools shut by the former ALP government.

Farmland wedge

Another green wedge-zoned farm, on land once considered on Melbourne's outskirts, is being offered to investors willing to take the risk rezoning them for housing estates.

An 85-hectare Mornington site near an EastLink exit between Mount Eliza and Mount Martha is expected to sell for about $5 million.

Only four kilometres from the beach, the block could yield thousands of lots for a housing estate - but is considered by local agents "a long-term hold".

At 700 Moorooduc Highway, the block is being offloaded by a local family who have owned it for more than a century.

GormanKelly's Sandro Peluso and Biggin & Scott Land's Andrew Egan are the marketing agents.

Elsewhere in Melbourne in recent years, other green wedge landowners have benefited from planning ministers shifting the city's urban growth boundary. Population growth and affordability are often touted as reasons.

Higher and higher

The Malaysian and Singaporean developers who midyear paid $7.5 million for a 1001 sq m block at 65-71 Haig Street, abutting the West Gate Freeway at Southbank, are seeking ministerial approval to build a 55-level, 361-unit residential building with ground floor retail.

The application comes a week after a neighbour at 57 Haig Street also submitted to Planning Minister Matthew Guy plans to increase the height of an approved project 13 levels to 52 storeys.

Werribee deal

A new Werribee medical centre built into what was for decades a tired Dimmeys Forges store has sold off-market for $6.5 million, representing a major commercial deal for the western suburb. The double-storey, 1700 sq m complex on a 2561 sq m block is adjacent to the Werribee railway station.

Syndicate Stamford Capital offloaded the asset after securing Primary Health Care as a long-term tenant. Real estate advisory Bramford Property relocated Primary Health Care from the nearby Werribee Plaza.

MP Burke Commercial's Pat Burke and Michael Pound have now sold the asset to a Melbourne investor. Based on the $400,000 annual rent Primary Health Care pays, the Werribee investment sold on a yield of about 6.25 per cent.

"New medical facilities are attracting the interest of private investors, property syndicates and self-managed super funds, as these investments are generally well located and leased to established medical providers," Mr Pound said.

Puckle up

A mid-level apartment building is expected to rise at the Moonee Ponds Junction, with an investor paying a speculated $9.5 million for a low-rise office on a 2156-square-metre block marketed for its development potential.

The property at 343-349 Ascot Vale Road, near the Puckle Street retail strip, was listed last month by Gross Waddell's Andrew Greenway and Andrew Waddell.

Returning $321,600 in annual rent, the low-rise building is on the same block as the suburb's two tallest towers - which rise 15 levels and seven levels.

Late last month, Leighton Properties lodged a development plan affecting the former Moonee Ponds Market site nearby.

Leightons plans a village with seven buildings of between 19 levels and 26 levels and containing about 1000 flats. It will also include an outdoor public piazza.

Jazz club tower

The Chinese developer who in August paid $10 million for the Bennetts Lane Jazz Club has lodged an application to replace the block with flats.

When the venue - once described as the best jazz club in the world - was quietly **sold**, Bennetts Lane founder and vendor Michael Tortoni speculated the buyer wanted to erect a 30-level building.

But the application is to replace the 430-square-metre block with a 52-level **residential** tower. The project will replace properties known as 141-149 La Trobe Street and 25 Bennetts Lane.

The latter **property** was owned for decades by the **estate** of King O'Malley, founder of the Commonwealth Bank and the last survivor of Australia's first federal parliament.

Mr Tortoni paid a combined $679,500 for the assets more than 20 years ago and is closing the club next year.

He previously told The Age that taxation arrangements (which would have included hefty land rates) and other system and administrative costs contributed to his decision to sell the "artistic endeavour".

The off-market **sale** campaign was managed by Vinci Carbone **Property**.

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AN Document AGEE000020141031eab10006g

