

SE Business - **Commercial Property**
HD **Development site sets price record**
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A **Chinese** buyer has paid a record price for a Southbank office building destined for development.

The appetite for Melbourne's city, city-fringe and suburban properties has carried on undiminished by last week's change of government, with several development sites selling in the past week.

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The building at 85 Coventry Street in Southbank fetched \$15.2 million - a rate of \$15,500 a square metre - on a sharp yield of 4.77 per cent. The vendor, a private investor, had held the **property** for more than 20 years.

Colliers International agent Daniel Wolman, who negotiated the deal along with Andrew Ryan, said the building is rented to developer Devine and online advertising **company** Adslot, which have three years remaining on their leases.

Mr Wolman said the buyer is a **Chinese** businessman with a tyre and manufacturing business in **China** who is looking for more **property** in Australia.

"We had 10 offers come in just after the change of government, most of them from locals who understand the market. The election hasn't slowed things down at all. Interest rates are still low and the sharemarket is volatile, so people look to **property**," he said.

The two-storey **property** would be developed into a **residential** tower, he said.

The deal caps off a busy week for real **estate** agents. CBRE **sold** five properties in seven days

A clutch of warehouses stretching between 168-175 High Street and 1-5 Victoria Street in Windsor **sold** at auction last Friday in front of a crowd of about 130 people.

Bids for the land, which has no development permits, came from both local and offshore parties.

It **sold** for \$8.4 million to a buyer from mainland **China**.

CBRE agent Ed Wright said most of the recent sales were for properties with permits but the Victoria Street **sale** indicated the strong underlying confidence in the market.

"Interest rates are still low and the banks are willing to fund local developers," Mr Wright said.

Chinese developers have moved out of the CBD and fringe suburbs and bought some key suburban development sites.

The former service station at 67-73 Poath Road, Murrumbeena fetched \$4.05 million and double **residential** block at 318-320 St Kilda Street in Brighton **sold** for \$4.5 million.

The latter had a permit for five townhouses, while the Murrumbeena **property** has a permit for a six-storey **apartment** building.

But locals are also bidding competitively for sites, which is helping to drive up prices and reduce settlement times, Mr Wright said.

An interstate builder has paid \$7.6 million for a 7879-square-metre **site** at 41-49 Robbs Road in West Footscray that has three street frontages and overlooks a **park**. The street already has a strong **residential** component.

CBRE and Fitzroys negotiated the deal, which was brought to the market by ConnectPlus's Simmy Abraham.

In late November, a local developer paid \$16.4 million for The Old Albany **Hotel** at 1-23 Millswyn Street in South Yarra. Earlier, in October, the Parade Inn at 535-541 Royal Parade, Parkville also **sold** to a local developer for \$12.4 million.

IN ireest : Real Estate | icre : Real Estate/Construction

RE china : China | victor : Victoria (Australia) | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | austr : Australia | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

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