



SE Business - Commercial Property

HD Offshore **group** shifts focus to suburban developments

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LP Melbourne's heated development market has resulted in a nondescript St Kilda Road office selling for nearly 30 per cent above expectations and a listed offshore developer moving into middle ring suburbs.

**China**-backed developer Golden Asset outmuscled a mix of investors, owner-occupiers and local developers to snap up a five-level stand-alone office building on the corner of Raleigh Street and St Kilda Road for \$12.1 million.

TD The little-known Golden Asset **group** also owns a large development **site** at 8 Hopkins Street in Footscray where it is seeking to build six multi-storey towers with 939 apartments.

Selling agent David Minton from GormanKelly said 613 St Kilda Road changed hands on a low yield of 2.4 per cent, well above the \$9.5 million it was expected to fetch.

Mr Minton, who handled the deal with colleague Mario Nobrega, said the 1038-square metre corner **site** was sought after as a development opportunity because it was offered with vacant possession in two years' time.

"It's a much stronger result than we thought it would be. It's a sign of the times," he said.

If the building is redeveloped it will be the latest in a string of sites on the leafy boulevard to be converted to upmarket **residential** dwellings.

Two months ago Malaysian developer [UEM Sunrise](#) acquired the Victoria Police complex on the same strip with plans to transform the **site** into an ultra-luxurious **residential apartment** block. The giant fund - effectively a sovereign wealth player - paid IGR **Property Group** \$58 million for the **site**.

Another large Asian developer, Bursa Malaysia listed SP Setia, is building an upmarket Karl Fender-designed 19-level complex at 557 St Kilda Road next to Wesley College, a **site** it bought from multi-millionaire businessman Lloyd Williams' Hudson Conway.

SP Setia's previous Melbourne foray included the Fulton Lane Project next to the Queen Victoria Market.

The **group** has plans to expand beyond its usual city focus into key middle ring suburbs, a territory traditionally the target of smaller local developers.

It has **purchased** a **residential** development **site** in south-eastern Carnegie for \$6.68 million in a deal negotiated by CBRE's Ed Wright, Scott Orchard, and Chao Zhang.

The corner block at 47-251 Neerim Road will make way for a low-rise **apartment** complex in a suburb that has seen rapid growth in similar developments.

"SP Setia were able to fend off strong competition from local and other offshore developers to secure the **property**, with the **transaction** representing more than \$139,000 per unit, a new record for Carnegie," Mr Wright said.

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