

# FINANCIAL REVIEW

SE **Property**  
HD **Sweet deal for investor**

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A Melbourne investor-developer has paid \$11.525 million for a six-storey retail and office building in the Melbourne central business district, owned by interests tied to the founders of the Darrell Lea confectionary business.

The 1923 art deco-style building on the corner of Bourke Street and Russell Street – a block from **Chinatown** and the Bourke Street Mall – had been held by DLN, the immediate parent **company** of Darrell Lea Chocolate Shops, for 30 years. DLN paid \$2.15 million for Bourke House in 1983.

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DLN is wholly owned by Bentala, trustee for the Lea family trusts. Darrell Lea collapsed in 2012 and was later **sold** to the wealthy Quinn family, owners of VIP Petfoods.

The fully-leased freehold building has 1500 square metres of C-grade office space across five levels with four shops on the ground floor on a 345- square metre **site**. The building has the potential to be redeveloped when it becomes vacant in 2019.

It generates passing net income of \$514,510 a year, representing a yield of about 4.5 per cent.

Bourke House was **sold** by Colliers International's Matthew Stagg and Daniel Wolman after a five-week, expressions-of-interest campaign.

Mr Wolman said the **property**'s prime location and its potential future uses enticed prospective **purchasers**.

"The large number of enquiries we received came from a balanced mix of international and domestic buyers," Mr Wolman said.

"We are seeing clear signs local investors are stepping up and competing with international buyers for prime, strategically located assets."

Plans to build a **hotel** on the adjacent, former Great Union **site** increased the investment value of Bourke House, the agents said.

CO dlc : Darrell Lea Chocolate Shops Pty Ltd | vpeapl : V.I.P. Petfoods (Aust.) Pty. Ltd.

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