

SE Business - **Commercial Property**  
HD **Melbourne sites fetch \$40m for Gillon Group**  
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WC 1,154 words  
PD 6 December 2014  
SN The Age  
SC AGEE  
ED First  
PG 12  
LA English  
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Capital Gain

Gillon **Group** is about \$40 million richer after selling two prominent sites in bayside Melbourne – the patch where the local developer has built its reputation and portfolio during the decade.

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In the biggest deal, conducted off market, Gillon **Group** is believed to be pocketing about \$35 million from the **sale** of 33 Jack Road and 9-41 Charlton Avenue in Cheltenham to Mirvac. For years a furniture factory, the parcel is expected to make way for about 300 townhouses.

In Mornington, behind the Main Street retail strip, Gillon **Group** is pocketing \$6.2 million from the **sale** of a 6194 square metre block with **residential** redevelopment potential. Across from the Mornington Central shopping centre, 2 Philip Street and 9-11 Gordon Street were offered with a permit for 45 townhouses.

Selling agents Dominic Gibson and Steven Messina, of Melbourne Acquisitions, declined to comment about the Cheltenham campaign. The duo marketed Gillon **Group's** Mornington **site** publicly.

**Sale** at Kmart

An as-yet undisclosed investor is reportedly in exclusive negotiations to **buy** a landmark industrial facility in Truganina for more than \$80 million.

Goodman **Group** received state government permission to fast-track construction of the Kmart Distribution Centre at 2-12 Banfield Court in 2010. On a 36.1-hectare block, the **property** includes a 76,938 square metre factory and is fully leased to Kmart until 2026.

Kmart pays annual rent of \$6.1 million to occupy the state of the art logistics facility. Jones Lang LaSalle's Matt Ellis and Michael Fenton and Colliers International's Nathan Bingham and Tony Iuliano are marketing the landmark Melbourne industrial **property**.

In the picture

Photography and filmmaking supply giant CR Kennedy is playing **property** developer, starting construction of a light industrial project behind its swank office on Port Melbourne's waterfront.

CR Kennedy's new project, The Wirra, includes 10 office warehouses accessed off Wirraway Drive. Ranging in size from 300 to 350 square metres, the workspaces, due for completion early next year, are being marketed by Bosisto **Commercial's** Glyn Bosisto and Tom Davis of Tom Davis Industrial **Property**.

Developer Salta built CR Kennedy's 300 Lorimer Street office in 2001 for skater fashion house Globe. The building enjoys north-facing water views and close-range aspect views of the CBD, which is a short walk away.

In 2011, CR Kennedy **sold** its outgoing Chapel Street, South Yarra, **site** to local developer Michael Yates for \$19 million. Yates subsequently split the **site** in two, recently selling one part – with a valuable **apartment** permit – to an overseas developer for a price speculated at more than \$30 million.

Fitzroy **purchase**

Burgeoning local developer Milieu **Property** has snared another inner-city **site**, this time in Fitzroy North.

The former Carlton Motors workshop at the corner of Nicholson Street and St Georges Road South will now make way for flats. The 670 square metre block is immediately north of St Brigids Catholic Primary School and Church at the intersection of Nicholson Street and Alexandra Avenue – the busy thoroughfare connecting the Eastern Freeway to Citylink.

Castran Gilbert's Paul Castran and Michael Lang marketed the Fitzroy North block with a permit for a four-storey **residential** complex containing 24 flats and 14 basement car parks.

Milieu is backed by ex-BPM developer Michael McCormack, Ross Troon and Simon Peach. The boutique builder recently launched an **apartment** complex opposite the Fitzroy Town Hall that will replace a low-rise office until recently part-occupied by Down Syndrome Victoria.

A new mummy

A Baby Buntings superstore in ritzy Hawthorn has **sold** to an investor for \$6.8 million.

The 1536 square metre space, being the ground floor of the Atria **Apartment** complex at 291-311 Burwood Road, was only recently leased by Baby Buntings, which had outgrown its popular Balwyn store after 20 years. Based on the annual rent of \$514,000 Baby Buntings pays, the asset **sold** on a yield of 7.6 per cent.

The investment has 118 metres of street frontage, being on the corner of Golding Street.

Atria Apartments is a low-rise complex developed a few years ago by local outfit Caydon. In recent years this developer has focused on towers of 20-plus levels in St Kilda and Flemington.

CBRE's Rorey James, Justin Dowers and Mark Wizel **sold** the Baby Buntings leased asset for Caydon.

Factory for Metro

Queensland developer Metro is the mystery \$7.5 million buyer of a 7879 square metre factory surrounded by peaceful parkland.

Metro is expected to replace the Robbs Road block with about 50 three-bedroom townhouses priced below \$600,000. Directed by, among others, Devine **Group** founder and ex-chief David Devine and BRW Rich List entrant Luke Hartman, Metro has been one of this year's most active Melbourne buyers, sellers and developers.

The Footscray West **site** is the eighth national **purchase** by Metro this year.

The **group** has seven active projects in Victoria and 35 nationally.

It recently listed for **sale** former Uniting Church-owned blocks in Ivanhoe East and South Yarra, acquired as part of a fire-**sale** portfolio late last year.

Peking Republic

An investor is paying a speculated \$3.6 million for a ground floor and basement premises leased to the exclusive Quanjude Peking Duck Restaurant.

The 733 square metre strata retail **property** within the Republic Tower at 299 Queen Street is leased to Quanjude with options until 2022. The **China**-based restaurant, established in 1864, has dozen of affiliate eateries – the Melbourne restaurant one of the newest within the portfolio.

CBRE's Tom Tuxworth, Ed Wright and Nick Lower marketed the **property**.

Tatts offloads

Tatts **Group** – which last year relocated headquarters from Melbourne to Brisbane – has offloaded a popular western suburb hospitality venue purpose built for tenant AFL club Collingwood.

The gambling giant is understood to be collecting about \$10 million from the **sale** of “The Club” facility at 1312-1322 Western Highway, Caroline Springs – a deal reflecting a yield of about 7.5 per cent.

Tatts bought the modern venue in 2004 – five years after the master-planned township was established. Publican Andrew Nikakis, who also owns the Rosebud **Hotel**, is the **purchaser**.

The Caroline Springs asset is a big revenue raiser for Collingwood, which a couple of years ago successfully lobbied authorities to increase the permissible number of poker machines to 66.

The asset, on a hectare of land, includes 10,450 square metres of lettable area. Licensed to trade until 3am, the facility is also a Returned & Services League sub-branch.

The AFL club owns similar pokies-based venues in Lilydale and Ringwood – where the local council once criticised Collingwood for not investing the venue’s profits locally.

Jones Lang LaSalle **Hotel** vice-president Mathew George and Mitchell Humphries represented Tatts **Group**.

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