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School founder reaps \$8m for mixed-use **site**

Entrepreneur Shesh Ghale has offloaded a mixed-use asset with redevelopment potential in Melbourne's ritzy Armadale.

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The **property** developer and founder of private school, the Melbourne Institute of Technology, is understood to have **sold** 1155-1161 High Street for about \$8 million, a \$1.5 million discount on the price paid at the height of the 2007 **property** boom.

At the time the asset was offered with long leases including to the Bank of Queensland and exclusive pewter retailer Royal Selangor, which both recently vacated.

Developed in 2005, the complex includes 19 basement car parks, six ground-floor shops and upper-level offices. The 1078-square-metre building sits on a 653-square-metre block on the north-east corner of Mercer Road - considered one of Armadale's best streets.

The new owners, a local syndicate, will refurbish and retain the office as an investment. When the asset hit the market last year it was speculated the height of the **commercial**-1 zoned building could be doubled.

On a fully leased basis the asset could return \$535,000 in annual rent, which translates the **sale** price to a low market yield of 6 per cent. The current annual rental return is \$470,000.

MP Burke **Commercial**'s Pat Burke and Michael Pound represented Mr Ghale. The **purchasers** were represented by Bayley Stuart's Andrew MacGillivray.

Mr Ghale had previously told Fairfax Media proceeds from the **sale** of the Armadale asset would go towards the restoration of the historic Argus building in the CBD, which is to become a new MIT campus. It will also help pay for the construction of a **hotel** in Nepal.

In May, Mr Ghale **sold** the historic Tomassetti House in Flinders Lane for \$16.2 million - a capital gain of \$4 million on the price he paid also in 2007. That distinctive office will be refitted as an upmarket backpacker hostel after Savills **sold** it to Sydney operators.

Crazy beautiful

When **Chinese** holidaymakers walk into a local display suite and **buy** eight apartments at a time, it's no wonder skyscraper villages have risen around Melbourne's inner city so quickly.

So, a year after announcing plans for the 52-level Platinum tower, developer Mario Salvo has started marketing the second building he was permitted to build on the **site** of the former Crazy John's headquarters in Southbank at 245-263 City Road.

The new tower, branded Bella Apartments, will rise 46 levels immediately south of Platinum, which **sold** out earlier this year and is now under construction.

Bella - the Italian word for beautiful and also the name of a Salvo daughter - will replace what is left of low-rise offices for years occupied by Crazy John's.

The building will spend its last days as an **apartment** display suite.

All up the two City Road towers will add about 800 apartments to the block that Salvo bought from the Crazy John's business for \$10.5 million in 2007.

At the Platinum launch last year it was revealed that the late founder of Crazy John's, John Ilhan, only brainstormed an ambitious development plan to replace the City Road office with a 34-level "mobile phone"-shaped tower, in order to get publicity for his fast-growing business.

Crazy John's was founded in Brunswick 23 years ago.

Mr Salvo donated \$465,000 to the Ilhan Foundation this year - \$1000 for each of the flats **sold** within Platinum.

It was reported the tower was popular with foreign investors with one buyer on one visit spending \$3.4 million on eight flats.

Brown's grab

Former Australian rules footballer Fraser Brown is one of the first to jump on the bandwagon to the Clyde precinct, in Melbourne's outer south-east, which is set to become a major **commercial** hub.

The former Carlton identity and **property** developer has recently launched a housing **estate** in Clyde North, 48 kilometres from town - between Cranbourne and Tooradin.

The land is near a 47-hectare **site** at 1350 Pound Road, which hit the market last month with price expectations of about \$15 million.

The Pound Road farmland was only recently permitted for development following a structure plan announced by the Napthine government (which will be gazetted later this year) that will see the suburb make way for, as a start, 120 hectares of **commercial** and industrial-zoned workplaces.

About 20,000 homes as well as schools and other infrastructure - including a hospital - are also planned for the area, according to the Pound Road marketing agent, Frank Nagle from Biggin Scott **Commercial** & Land.

The state government last October flagged a third major Melbourne airport could be developed between Koo Wee Rup and Lang Lang in Victoria's Gippsland corridor nearby. The government is also keen to expand the Port of Hastings, near Melbourne's southern outskirts.

School **sold**

Melbourne's Liuzzi family has paid \$4.6 million for a former primary school in Pascoe Vale for years owned by the Catholic Archdiocese.

The elevated **site** is expected to make way for a **residential** project and diversify the Liuzzi family's portfolio, which includes **commercial** and retail assets as well as businesses.

The land was also marketed for its potential to be replaced with an aged-care facility or childcare complex.

Near the eastern wall of the Tullamarine Freeway, just north of Moreland Road, the land is addressed 19 Langtree Avenue but is also bound by Woodlands Avenue and Coonans Road.

Jones Lang Lasalle's Steve Messina and Peter Sprekos marketed the 5080-square-metre **residential**-1 zoned **property**.

Food plans

PFD Food Services plans to build one of the eastern suburbs' largest industrial facilities near its national headquarters after snapping up a five-hectare slice of the Kingston Business **Park**.

The Henderson Road parcels in Knoxfield were chosen because they formed a regular shape, were level, and are serviced - for utilities and by roads. It's expected the **company** will develop a

30,000-square-metre-plus complex on the greenfield land, covering about 60 per cent of the **site** area - the general rule of thumb for **site** coverage of industrial land.

On completion, Henderson Road will be the 62nd national purpose-built warehouse/distribution **site** for the **group**, which has its headquarters in Rushdale Street, also in Knoxfield. Established in 1853, and **purchased** by Rick Smith in 1988, PFD is the largest family-owned distribution **company** in the country with about 600 PFD trucks delivering 25,000 product lines nationally.

Gorman Kelly **Commercial** Real **Estate**'s Grant Butler said the **purchase** confirmed buyer activity is buoyant in the eastern suburbs market. He said that since the Monash Freeway and EastLink interchange, developers had actively sought to fill tracts of once-vacant land. The number of greenfield sites was diminishing, he added.

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