

SE Business - **Commercial Property**
HD **Collins Street double-act**
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Two B-grade offices may become Collins Street's next A-list tower as their owners chase a developer's premium.

In an unusual move, neighbouring buildings at 406 and 410 Collins Street have been offered to the market by separate city agencies with a joint "development scheme" in place.

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Selling agents CBRE, Mulcahy & Co (410), Colliers International and Ryder **Commercial** (406) insist the buildings are on the market as stand-alone offerings, but their owners hope to cash in on the city's heated development market with a joint proposal for a 50-storey premium CBD tower.

Number 406, a 12-storey office building with a statue of Atlas out the front, sits on 441 square metres of land.

Next door, 410 Collins Street is a similar size. It is surrounded on three sides by streets and lanes, and backs onto one of Melbourne's hidden pockets, Bank Place.

The combined footprint of the two properties had potential to provide 855 square metres and a rare development opportunity in one of Melbourne's most sought-after streets, Colliers International's Matt Stagg said.

"There are just a handful of privately owned Collins Street office investments left. Properties of this kind are tightly held for generations," he said. Both offices are opposite another landmark **site**, 447 Collins Street, where Cbus has proposed a soaring tower, which will significantly overshadow the Yarra River, to replace the 1960s Suncorp building.

CBRE's Mark Wizel said offshore investors had shown interest in number 410, which was anchored by the **China** Construction Bank. "We think it's good enough to sell as a stand-alone building. There are virtually no B-grade offices for **sale** in Melbourne at the moment," he said.

That may not be true for long. Another Collins Street building is also set to hit the market. An 11-storey office tower at 446 Collins Street, next to Gurners Lane, which last **sold** in 2009 for \$18.3 million, is again on the market with CBRE and Allard Shelton.

Further up Collins Street, prominent developer Lorenz Grollo's Equiset **group** has put a narrow, 55-storey tower proposal at Makers Mark to the market after gaining a planning permit.

Development sites with permits have proved attractive to the multiple offshore developers.

A similar tower development scheme proposal was instrumental in Singaporean developer Fragrance **Group**'s June decision to **purchase** the Savoy Tavern **site** in Spencer Street, Mr Stagg said.

Fragrance **Group** followed up with a 300-metre skyscraper proposal that is working its way through the planning approval process.

Number 410 Collins Street was expected to fetch more than \$27 million and number 406 slightly lower, above \$23 million.

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