

SE Business - **Commercial Property**
HD **North city development wave**
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A **Chinese** investor has paid \$13.2 million for an office building in the city-fringe suburb of North Melbourne, an area poised for a new wave of development.

More than \$130 million of **property** in North Melbourne and West Melbourne has changed hands since November, when a Singaporean developer paid \$41.5 million for a 10-storey office building at 383 King Street.

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The most recent deal involves an office **property**, owned and occupied by professional **group** Engineers Australia. It is on a 2076- square-metre **site** at 13-21 Bedford Street, just off the intersection of Peel and Elizabeth streets.

Six other tenants lease space at the 3000-square-metre office building but they are on short-term leases, with the longest ending in 2017.

Savills Australia agent Nick Peden, who negotiated the deal with Clinton Baxter, said the buyer would keep the building leased for a few years before undertaking a **residential** development.

The property was **sold** 32 per cent above its reserve, at a new record land rate for North Melbourne of \$6358 a square metre, Mr Peden said.

The top three prospective buyers out of the 11 expressions of interest received by Savills were all based offshore and the campaign attracted 125 inquiries, he said.

Another deal, further north in the suburb, on a 1943-square-metre **site** at 287-313 Macaulay Road, attracted 80 inquiries and **sold** for \$4.8 million to a local developer with connections to Dubai. It was **sold** by Knight Frank.

"There are no barriers to North Melbourne development, no need for a Docklands-style taskforce. The infrastructure, the trams, the roads, favourable zoning and the strong community culture are already in place," Mr Peden said.

"We are seeing a surge in developer and investor interest."

Other agents also report renewed interest in the area. CBRE agent Josh Rutman said multiple offers were received for a 2271-square-metre parcel of land owned by veterinarian hospital Lort Smith at 15-27 Wreckyn Street.

He said local and offshore developers were equally keen on the area and prices were far in excess of what was achieved 12 months ago.

IN ireest : Real Estate | icre : Real Estate/Construction

RE austr : Australia | china : China | melb : Melbourne | singp : Singapore | victor : Victoria (Australia) |
apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater
China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia
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