

Herald Sun

SE CommercialProperty
HD **Battlelines drawn as demand explodes on west side**

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■ THE final price for a West Melbourne mixed-use development **site** almost doubled from the opening bid of \$5 million, as investors clamoured for properties in the fringe CBD suburb.

Sold for \$9.4 million at auction in front of a crowd of more than 100 people, CBRE said serious buyers for the 137-157 Adderley St **site** included five local and offshore groups.

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The winning bidder, Auburn **Property Group**, secured the 1597sq m corner **property** on a rate of \$5886 per square metre.

CBRE said the **sale** marked its ninth major deal in West Melbourne over the past 12 months.

"Smart developers are recognising that for \$5000 to \$6000 a square metre they can acquire a prominent landholding, less than 500m from the CBD," the **commercial** agency said.

"This is particularly appealing when compared to other city fringe markets such as Richmond, Southbank and East Melbourne, where land rates are typically in excess of \$15,000 a square metre." In the past six months, CBRE has transacted the following West Melbourne development **site** deals: 143 & 145-147 Rosslyn St, for \$2.6 million to a **Chinese** buyer; 371 Spencer St for \$5.5 million to a local investor; 102 Jeffcott St for \$6.1 million also to a local investor; 33-43 Dudley St for \$12.1 million to a **Chinese** developer; and 405-409 Spencer St for \$12.7 million, also to a **Chinese** investor.

DEMAND RISING ■ COLLIERS International is also fielding strong interest for West Melbourne sites, with a record price of \$14.6 million achieved for 407 King St to an Asian developer.

The **property**'s prime location close to Flagstaff Gardens and Flagstaff railway station, the new Haileybury College campus plus the Queen Victoria Market, generated fierce interest from owner-occupiers, investors and developers, the **commercial** agency said.

Colliers said that traditionally, sales for West Melbourne development sites averaged around \$11,000/sq m, but 407 King St had collected \$15,800/sq m, demonstrating huge demand for CBD properties from overseas buyers.

MITCHAM **SALE** ■ CVA **Property** has privately **sold** an industrial investment at Unit 7, 621 Whitehorse Rd, Mitcham, to a syndicate of local and European investors for \$3.45 million.

The 1460sq m **property** is leased to Aneeta Windows, which was recently bought by US-based Jeld-Wen Windows and Doors, which owns Stegbar Windows.

CVA said that it received more than 50 inquiries for the **property**. Heritage haven ■ A PRIVATE investor has paid \$1.3 million for a double-storey heritage building at 111 Bridge Rd, Richmond.

The off-market **transaction** by Fitzroys on behalf of a private landlord “indicates that despite the high vacancy rate of retail premises on Bridge Rd, investment interest remains strong in the city-fringe location”, the agency said.

A temporary tenancy is in place at the 127sq m **property**, which has a 75sq m ground-level shop and first-floor office/storage area of 47sq m.

Fitzroys said retail and office inquiries had spiked since March.

CUE TIME BUYS IN ■ US indoor sports **firm** Cue Time has paid \$2.9 million for a near-new industrial **property** at 1/86-102 Whiteside Rd, Clayton South, according to selling agent Savills Australia.

The **property**, built by Virtus **Property Group**, is a 2032sq m facility including a 1632sq m warehouse and 400sq m of office space.

Formerly a tenant of the **property** on a 10-year term, Cue Time decided to become an owner-occupier of the **site**.

Savills said that for some tenants “the buying versus leasing argument have swung in favour of buying, particularly with interest rates low and likely to remain low”.

Cue Time operates a competition complex for badminton, table tennis and other sports.

QUAN AT SAVILLS ■ IN other Savills Australia news, the agency’s Melbourne office has added to its **residential** projects team. It has appointed Wayne Quan.

Mr Quan, an off-the-plan **apartment** sales expert, joins Savills after seven years at Melbourne-based **property** investment **company** Ironfish. Savills said Mr Quan “has a strong international client base”.

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