

\$9.9m to smash Perth site

Sales wrap

Will Glasgow

A large development site in South Perth has sold for \$9.9 million to local developer Devwest Group, setting a new benchmark in the tightly held precinct.

The units on the 2298-square-metre site on the corner of Richardson Street and Melville Parade will be demolished and replaced with a mixed-use office and apartment complex.

Located directly opposite the proposed South Perth train station, the site forms part of the design area within the Scott Richardson Street precinct. It allows for residential or mixed-use development of up to 13 storeys.

Knight Frank director Tony Delich, who negotiated the sale on behalf of a local private individual, said the site had the potential – with development – for uninterrupted views of the Swan River, Perth CBD and Kings Park.

He said the tender campaign for the property had produced seven strong offers, clearly showing that the new zoning change had injected renewed interest in the precinct.

The area had stagnated for over 20 years because of development constraints.

"The entire area will be transformed over the next few years and this will be an iconic development, with its large corner location just metres from the river's edge."

Sold to be split

A private investor has bought a floor in a Melbourne CBD office building for \$1.7 million from boutique law firm SBA Law.

The 500-square-metre space on level 4, 50 Market Street, in the south of the CBD, will be refurbished and then subdivided and leased.

CBRE's Tom Tuxworth, Ed Wright and Chris Pharr negotiated the sale.

Seafood firm catches warehouse

An owner-occupier in the seafood industry has purchased a \$1.54 million clear-span warehouse in Brooklyn in Melbourne's west.

The building will be used to process and store its produce.

The business is upgrading from a modest processing facility nearby in Laverton North.

The freehold property has a 3000-square-metre site with an 1800-square-metre building.

Colliers International's Nick Saunders and Cameron Hunter negotiated the sale on behalf of Madison Furniture.



Level 4, 50 Market Street in Melbourne will be sub-divided; Devwest Group paid \$9.9m for units in South Perth (below).



Alexandria storage

A private owner-occupier has bought a 681-square-metre warehouse in Alexandria from Costream Pty Ltd for \$1.665 million.

The site at 4/100 O'Riordan Street, Alexandria was previously occupied by homewares business Acland Holdings. The property is a warehouse, with a small office and showroom, and will be occupied by a produce wholesaler.

The sale was negotiated by Toby Anderson and Scott Timbrell of Jones Lang LaSalle. Mr Anderson said the property was sold in the first two weeks of appointments on the property.

Melbourne warehouses

Two adjoining warehouses in Sunshine's Proximity Estate, in Melbourne's west, have been sold to an owner-occupier for \$1.68 million. The

buildings are at 171 Proximity Drive in Sunshine, and have a combined area of 1528 square metres.

Knight Frank's Joel Davy brokered the deal. Mr Davy said that demand in Melbourne's west had strengthened with the rise in speculative built industrial buildings.

Tiny yield in Chapel Street

A freestanding single-storey shop on Melbourne's tightly held Chapel Street sold at auction for \$1.550 million, representing a yield of 2.35 per cent.

The current tenant, a picture-framing business that has been at the site for over 15 years, bought the shop from a local family who had held it for nearly 30 years.

The shop sits on 142 square metres of land at 154 Chapel Street, Windsor, and has a rear office and kitchenette. The auction attracted about 50 people, and three bidders competed for the property.

Tamara Gross and Michael Gross from Gross Waddell ran the sale.

Submissions to:
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Melbourne industrial records hit

Rebecca Thistleton

Industrial sites in Melbourne's south-east are setting new local sales records, with average prices now more than one-third higher than those fetched at their former peak in 2007.

Sites are now selling for an average about \$270 a square metre, compared with about \$200 a square metre in 2007, according to Colliers International.

Abacus has sold two warehouses in Braeside for \$10 million to private investors with yields about 8.25 per cent through Colliers International.

The agency's industrial senior executive, Justin Fried, said a lack of development-ready land and increased activity from developers and owner-occupiers was behind the strong prices.

Precincts such as Dandenong South, Keysborough and Cranbourne – particularly those near Eastlink – have been most popular.

"We did 12 deals in the first quarter alone in this area," he said.

"We have seen significant labour force growth in this market, which is resulting in increasing demand from distribution centres that service the Victorian south-east metropolitan market."

There are three prime-grade buildings above 5000 square metres available for sale or lease in the south-east.

Mr Fried said demand for A-grade facilities below 5000sqm was high, and there were only three development-ready lots of about two hectares available in the east.

There has been an increase in smaller sites under 2000sqm, the bulk of that in four estates, held by Investa, MAB, Logis and Australand.

Three lots remain in the Dandenong Logis Industrial Park, an eco-industrial area that Places Victoria developed; 54 sites have already sold this year.

Mr Fried said local developers were taking advantage of the lack of prime stock and have been buying up sites.

"Developers are responding to the lack of space available, and the supply pipeline for the south-east over the next 12 months is reasonably strong," he said.

Vaughan Constructions Victorian development manager, Jordan Grigg, said developers had realised that land prices had bottomed out and were keeping close watch on project-ready sites coming to market around the south-east.

For Sale by Expression of Interest: Prime Retail, Commercial and Bulky Goods Lots



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Four prime lots are now available within the new District Town Centre, located on busy Marmion Avenue, Butler in Perth (WA). Benefit from the close proximity to the high traffic environment of Marmion Avenue and the presence of major retailers such as Masters, Woolworths and Big W. With rail and public transport due to open in 2014, these lots present a fantastic opportunity for the savvy investor.

Lots 2076 (1.0808ha), 2138 (2.36ha) and part of lot 2712 (total 1.2617ha)

Location: Precinct C of the Butler District Centre
Precinct C forms a commercial gateway to the Butler District Centre and allows for bulky goods, showrooms, fast food, service station and other similar commercial uses at the edge of the centre.

Lot 2077 (3132m²) and eastern portion of lot 2712 (total 3000m²)

Location: Precinct B of the Butler District Centre
Precinct B is based on Main Street principles and may include a mix of office, commercial, consultancy, retail and multi-residential type uses centred on Butler Boulevard.

To express your interest contact Heinz Pfenninger on (08) 9562 0422 or email heinzp@satterley.com.au
For more information visit www.satterley.com.au/commercial

All potential purchasers should enquire with the City of Wanneroo for development guidelines. Prices are subject to change without notice.

Satterley.com.au

