

CAPITAL GAIN

Architects' tower in a play for light and space

MARC
PALLISCO

CONSTRUCTION of the city's next large office tower will start in February, after seven, strata-titled levels of a proposed building sold "off-the-plan" to owner-occupiers, in a marketing campaign.

The Royal Australian Institute of Architects will build a luxury \$40-million, 21-level tower at the north-west corner of Exhibition Street and Flinders Lane.

The institute will occupy levels 1 to 4 of the building, with a space of about 7000 square metres. The tower will sit between much larger skyscrapers including the Ernst &

Young building at 8 Exhibition Street, the Collins Place towers and the recently refurbished Grand Hyatt Hotel.

Remaining strata-titled floors are being marketed at just over \$2 million each.

On completion, the tower will rob aspect and light from the 101 Collins Street tower, which is widely considered Melbourne's most expensive office to lease.

Rents and views at the 57-level 101 Collins Street are preserved in part because the owners imposed height-limiting covenants on many smaller, surrounding buildings, before selling those buildings some years ago.

But 101's owners missed out on buying 41 Exhibition Street in 1994, which the institute snapped up for \$1.2 million.

Alexander Robertson dir-

ector and selling agent David Combes, who is marketing the suites with CB Richard Ellis, said the building, which is designed to be carbon neutral, would open in late 2012.

Back to skyscrapers

SYDNEY-BASED developer Mirvac will launch its sixth Docklands skyscraper, Yarra Point, in October.

Mirvac will adopt a design strategy used at its Tower 5 complex nearby, and the Melbourne, in St Kilda Road, by targeting top-end buyers with a high-quality product. Sale prices for one-bedroom flats are expected to start at \$500,000.

The distinctive \$200 million, 31-level tower will include 201 apartments in one, two and three-bedroom configurations.

Yarra Point will include a rooftop garden, communal barbecue and a gym atop a fifth-level podium.

The entrance of the tower will feature a double-storey lobby with mature trees, a garden of succulent plantings and bluestone pavings extending into the building from Point Park.

A resident lounge will be suspended from a mezzanine level.

Yarra Point will be developed on the corner of Lorimer Street and Point Piper Crescent. On completion, the tower will rob city views from West Gate Freeway commuters, around the Montague Street intersection.

Mirvac is developing the \$2 billion Yarra's Edge piece of Docklands, which runs south of the Yarra River to Lorimer Street, between the Charles Grimes and Bolte bridges.

The southern edge of Yarra's Edge is the suburb border of South Melbourne and Port Melbourne.

Yarra Point is Mirvac's first skyscraper proposal at Yarra's Edge since T5 was launched in 2002. In recent years at Docklands, the developer and fund manager has developed luxury townhouses, one which recently sold for \$6.35 million.

Rival developer MAB Corporation also developed townhouses at Docklands during the economic downturn, before announcing it would build a skyscraper earlier this year.

Elsewhere in town, Mirvac owns what are considered to be the best remaining residential sites in Southbank, the low-rise offices in front of Eureka Tower, and Freshwater Place.

In metropolitan Melbourne, Mirvac's property portfolio includes a 56-hectare residential development site spread over two south-eastern suburbs — Scoresby and Wantirna South. The site is set to



Mirvac's Docklands skyscraper, Yarra Point, is aimed at top-end buyers.

become a housing estate.

In the west, Mirvac and a joint venture partner, the Malaysia-based Jayaland, have reignited plans to redevelop 737 hectares of former Department of Defence land into a village of shops, offices and dwellings.

Mirvac says the Rockbank development will be the group's largest master-planned community in Victoria. Until recently, the land was outside the area defined as the urban growth boundary.

Moving west

UPMARKET furniture and homeware retailer Radstock + Kendall will vacate its prominent retail space in the Georges building at 162 Collins Street, and lease about 250 square metres on the ground floor of Valad's 575 Bourke Street office tower.

Knight Frank retail leasing director Gary Loo said the retailer was following office workers and city shoppers who were increasingly commuting around the western edge of the CBD.

He said interstate travellers coming into the CBD through Southern Cross Station were

also driving tenant interest in the area.

Since Radstock + Kendall leased space in the Georges building seven years ago, Melbourne's geographical centre has shifted west, as apartment and office developments have opened in Southbank and Docklands.

A track for Toyota

MELBOURNE's western suburbs may be notorious for hoon drivers — but thrashing a car may soon be encouraged on at least one tract of privately owned land in Altona North.

Car manufacturer Toyota has lodged an application with the Hobsons Bay City Council to convert a large parcel of land at 304-388 Grieve Parade into a vehicle-testing track.

The site would be used by Toyota engineers and staff to test the performance of motor vehicles manufactured at the Altona plant, including the new green hybrid Camry.

A Toyota spokeswoman said there were no formal plans to open the track to prospective car buyers.

A council spokeswoman said Toyota's application did

not produce any objections, and the council expected to make a decision about the track and associated buildings once VicRoads provided feedback. Toyota has owned the site since 2001.

General Motors Holden has a much larger proving ground at Lang Lang, about 75 kilometres south-east of Melbourne for its manufacturing operations.

Subaru has a compact testing track — with inclines and twists — for prospective buyers to sample its all-wheel-drive cars at Docklands.

Mixed use in Armadale

ARMADALE's next mixed-use project looks likely to rise from the site of a rundown collection of buildings between 1196 and 1200 High Street.

A local private investor and developer paid \$5,525,000 for the 706-square-metre site, with the structures expected to make way for construction of an apartment building with ground floor retail space, and possibly some upper-level offices.

The property developer and the former owner of Malvern's Giorgio's restaurant, George Saade, bid at the auction, according to sources.

Beller Commercial's Fred Nucara marketed the site, but declined to comment. The reserve was set at \$4.5 million.

Elsewhere in the immediate area, the Elite Ceramics building at 1174-1176 High Street that sold for \$3.8 million in March, will be relet as a retail premises.

Becton selling spree

DEVELOPER and fund manager Becton is still in a selling mood. This time, the East Melbourne-based group is off-loading a Little Collins Street office building it bought from Vicland for \$22.2 million in

September 2006. The 422 Little Collins Street office is expected to fetch about \$17.5 million this time round, reflecting a yield of about 10 per cent based on the building's approximate annual income of \$1.75 million.

Allard & Shelton directors Joseph Walton and Patrick Barnes are marketing the building.

Earlier this month, it was reported that Becton sold its prominent Beaumaris Pavilion site to St Kilda footballer Sam Gilbert and hotelier Simon Lennox for a speculated \$9 million. With the sale, Becton abandoned plans to convert the hotel into aged-care accommodation.

Earlier this year Becton sold its East Melbourne office headquarters for about \$27 million, continuing a selling spree that also saw it recently dispose of 446 Collins Street (about \$21 million) and 606 St Kilda Road (about \$25 million).

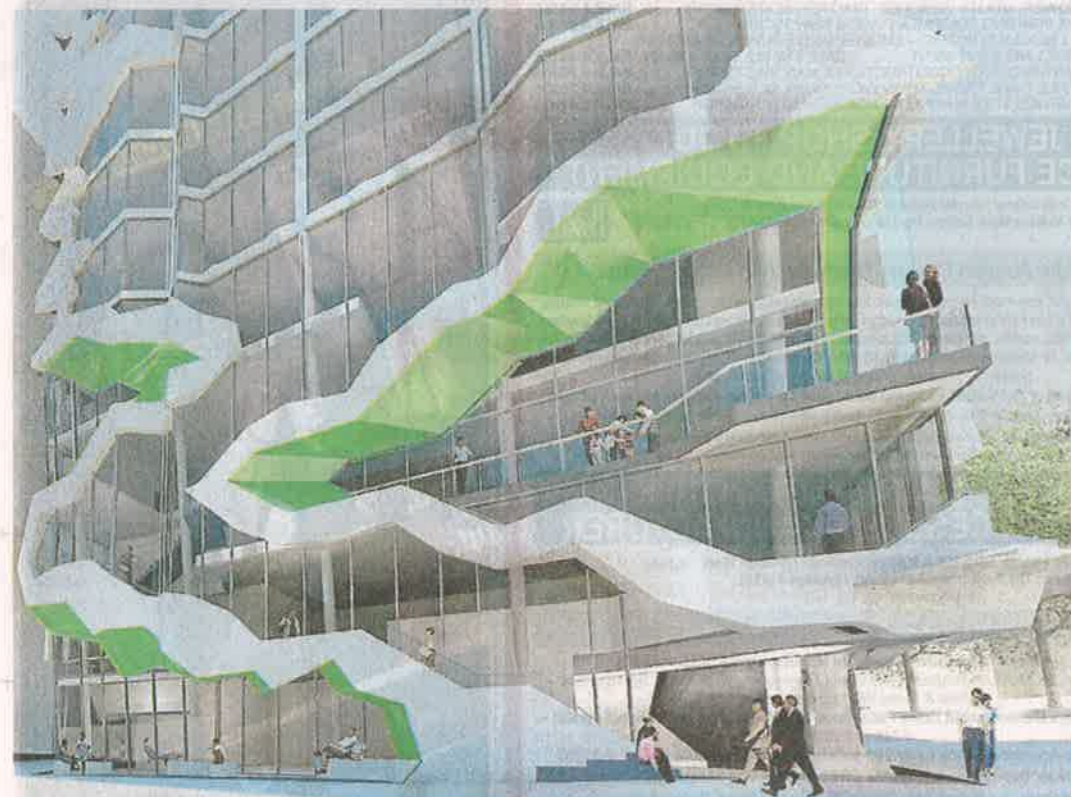
Becton also injected \$30 million into its coffers during the economic downturn, selling a collection of low-rise office buildings at the river-



St Kilda footballer Sam Gilbert.

front suburb border of Abbotsford, Richmond, Kew and Hawthorn. Part of that site is being redeveloped as a medium density apartment complex by rival Hamton.

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By and for architects: The 21-level tower planned for the corner of Exhibition Street and Flinders Lane.