



06 AUG, 2022

Neometro swoops on \$9.3 million showroom

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CAPITAL GAINS

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Nicole Lindsay



Developer Neometro has snapped up a Fitzroy showroom, paying more than \$9.3 million for a key development site in the heart of Nojo – north of Johnston Street.

The 900 square metre triple-fronted site at 450 Gore Street, on the corner of Leicester Street, fetched a land rate of \$10,350 per sq m. Records show the vendor, Watermelon, bought the property from the British United Shoe Machinery Company in 1985 for \$340,000.

The property, leased to a photographic processing and supplies company Vanbar Imaging on a monthly basis, is in the Fitzroy East and Johnston Street North planning precinct and has mixed use zoning.

Fitzroys agents Chris James and Chris Kombi negotiated the deal. James said the property attracted interest from buyers who were ready to start work on development plans, as well as landbankers.

There's plenty going on in the Nojo area. Piccolo has a permit for a \$120 million apartment project at 385 Gore Street on the old Australia Post site and right on Johnston Street, the McCoppins site recently sold for \$18.5 million and the Streamline Press site is under offer.

Wedged between them at No. 159-161, is a showroom on 500

sq m which is on the market for the

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first time in several decades. Conquest Estate Agency Luke Conquest is quoting more than \$5.8 million.

Meanwhile, on the Brunswick Street strip, south of Johnston, the freehold of the historic Labor in Vain hotel at 197 Brunswick Street is for sale along with its neighbour, occupied by Zetta Florence and Cafe Louis on Moor Street.

The 700 sq m site is going to auction on September 9. Colliers' agents George Davies, Alexander Leggo, Anthony Kirwan and Alex Browne are handling the listing.

All three buildings are fully leased until 2026 and return a net income of around \$259,590.

TAKING CARRIAGE

Some of Armadale's industrial history is up for sale with the listing of 1087-1095 High Street on the corner of Huntingtower Road.

The double-storey building is on a 1174 sq m site and was once part of the expansive works belonging to carriage-maker and car body manufacturer Martin and King.

The company was one of a handful of Australian manufacturers who built car bodies to fit chassis imported from overseas, including luxury marques Rolls-Royce and Bugatti.

Records show the property, long converted into shops, has been owned by the Angelatos Group for 35 years.

JLL agents Jesse Radisich, Nick Peden, Josh Rutman and MingXuan Li are running the campaign with transaction manager O&Co's Tony O'Callaghan and Patrick O'Callaghan.

Recent deals on the Armadale strip suggest a land rate of more than \$11,000 a sq m which would put the potential value at around \$13 million.

The building covers 1347 sq m with 867 sq m on the ground floor. It comes with a permit for a five-storey project designed by Fender Katsalidis for 10 big apartments and four shops.

"It is one of only five holdings larger than 1000 sq m in this prime retail section of High Street," Radisich said.

PROPERTY BUBBLE

One of the CBD's most reliable indicators in the past five years was the bubble tea phenomenon.

Every week, another bubble tea outlet, selling litres of tapioca pearls swimming in condensed milk and tea, would open its doors.

The recent lack of overseas students had deflated the tea market so it is pleasing to report a sub-continental evolution in the tea house, the evocatively named Dropout Chai Wala.

Previously the location for a bubble tea shop, 59 Elizabeth Street was leased to Dropout Chai Wala last November with six months free rent and a discounted \$133,993 rent. After holding it for 20 years, the landlord is selling up via an auction on September 8



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handled by Colliers' Anthony Kirwan. It's expected to fetch around \$2.8 million.

SUPA IGA

The Supa IGA in Thomastown has sold for \$11.3 million on a sharp 4.15 per cent yield.

A local private family snapped up the 2032 sq m supermarket, which has a new 10-year lease to Metcash.

It's the second strong result for a strata supermarket in as many weeks, following the sale of the Glenferrie Road Woolworths. It is on just 1822 sq m of land.

The deal was part of Stonebridge's July sales portfolio and handled by Kevin Tong, Rorey

James and Justin Dowers. While some were auctioned, others, like the IGA, were sold via expressions of interest.

"Asian buyer demand was very prevalent in this sales campaign with nearly a third of the inquiry coming from this buyer profile. The price point and tenant security is in the sweet spot for a lot of the private Asian clients," Tong said.

BOTTLED WATER

Queensland-based bottled water retailer Nu-Pure Beverages has signed up to a new 9039 sq m logistics facility in Centennial's Boundary Road Industrial Park.

It is next door to Nu-Pure's headquarters at 2/391 Boundary Road, where the water bottler is planning to expand its local beverage manufacturing

activities. The deal effectively triples the value of the Truganina property bought by fund manager Centennial three years ago.

One of its funds paid \$11 million for 383 Boundary Road, a property that had five new industrial units covering 5521 sq m and 14,500 sq m of surplus land.

The leasing deal with Nu-Pure Beverages, negotiated by CBRE agent Harry Kalaitzis, revalues the

property at \$32 million.

VICTORIAN ERA

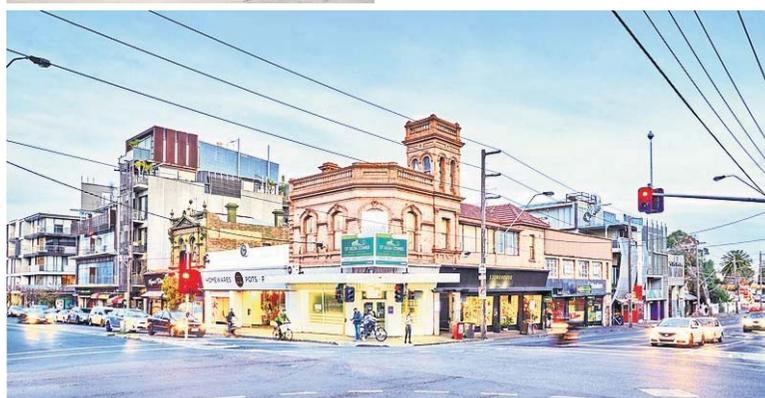
A block of Victorian-era shops in St Kilda has sold off-market for \$5.56 million to a buyer backed by offshore capital making their debut in the Melbourne market.

Stonebridge agents Sarah Xi, who handled the deal with Nic Hage and Rorey James, said: "St Kilda generally attracts strong interest from Asian investors, notably the younger generation, who are more familiar with the amenity within the area."

The price reflected a strong yield of around 3.9 per cent and reflected a building rate of \$11,809 a sq m and a land rate of \$19,113 a sq m.

Xi said more than a third of the agency's buyers this year have been backed by offshore Asian capital and that activity was expected to increase in the coming months as these buyers are typically less impacted by the cost of debt.

The property, on the corner of Inkerman Street, last changed hands in 2003 for \$1.85 million.



A block of shops in St Kilda has sold off-market; (left) the development site in Gore Street, Fitzroy, sold for more than \$9.3 million.