

St Kilda Road boulevard office sold for \$57.5m

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Melbourne-based Bayley Stuart Capital has sold a premium building at 606 St Kilda Road on the leafy boulevard to a Chinese investor for \$57.5 million.

The investment firm managed by Alasdair and Andrew MacGillivray sold the glass-encased office tower to Ginkgo Investments, a high-quality glass manufacturer based in Shenzhen, China.

The property transacted on sub 6 per cent yield in an off market deal negotiated by CBRE's Kiran Pillar who declined to comment.

Bayley Stuart bought the 10-level city-fringe office early in 2016 for \$40 million from wealthy Hong Kong expat Malcolm Dumenil on an initial yield of 7 per cent.

St Kilda Road's office sector has seen significant decrease in vacancy, with the latest Property Council of Australia figures released on Thursday putting the vacancy rate at 7.2 per cent, down from 11.3 per cent. Vacancy for A grade buildings nearly halved to 3.2 per cent.

Lemon Baxter agent Chris Curtain said the PCA figures include Queens Road and Albert Road. Excluding those areas, vacancy is around 4.7 per cent, he said.

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Press Release

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