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## RMIT to offload 14-storey asset as COVID-19 hits

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RMIT University is expediting plans to offload a 14-storey strata property on Bourke Street for more than \$120 million as it faces financial headwinds as a consequence of COVID-19.

The B-grade property at 235-251 Bourke Street, known as Tivoli Court or RMIT Building 108, is on one of the city's main pedestrian thoroughfares, and comprises 14 levels of office space above a ground-floor shopping arcade and 88-space basement car park.

RMIT is selling the 23,500 square metres of office space on a five-year leaseback deal. The retail plaza, owned separately, is not part of the sale.

Agents from CBRE and Gross Waddell have been appointed to oversee the sale.

An RMIT spokesperson said it was "currently exploring a sale" of the building and that ownership had regularly been reviewed since late 2012.

RMIT, like many universities, has taken a financial hit as a result of COVID-19 because of the closure of international borders, with the sector

expected to lose \$16 billion in revenue between now and 2023, according to modelling from Universities Australia.

RMIT is likely to be the worst hit of all the Australian universities, with a report showing it would face a fee shortfall of \$853 million by 2024 in a worst-case scenario, even if it sold two-thirds of its cash and investment holdings to compensate for lost international student fees.

Also in the Melbourne CBD, Credit Suisse Real Estate Fund International is looking to sell a property at 505 Little Collins for about \$160 million. Market sources said a Hong Kong buyer was circling the 12-storey property, formerly known as Zurich House.

The building has a net lettable area of 18,000sq m and underground parking for 98 cars. At that price it would transact on a yield of about 5 per cent. It last sold for \$83 million in 2008.

Also creating buzz nearby is a development site for a \$300 million municipal building on a parcel of land behind the Town Hall, with four prominent developers – Cbus Property, ISPT, Lendlease and Investa – all vying to become the preferred developer.