



Commercial Real Estate

Swarovski takes shine to Collins Street

CAPITAL GAIN

Nicole Lindsay



Crystal jewellery retailer Swarovski is shifting from its premier position in Bourke Street Mall to the luxury Collins Street strip.

The move, scheduled for April, will leave an empty space in the Mall where Swarovski has sparkled for several years.

Swarovski is the lead tenant at 274 Bourke Street, a building bought by Malaysian millionaire Loh Kian Chong in 2018 for \$45 million. The jeweller is moving to 254 Collins Street, a two-level 227 sq m shop owned by the Yu family. Rent was struck at \$600,000 a year for seven years. The deal was negotiated by Cushman & Wakefield agents Cam Taranto, Michael Di Carlo and Stephanie Harding.

They have also struck a leasing deal for hospitality maestro Andrew McConnell, who has expanded his Plinders Lane hospitality empire. McConnell is renting No. 165 for another of his Morning Market outlets, paying \$140,000 a year for the 157 sq m two-level space. It's on the corner of graffiti-marked Hosier Lane, which attracts many thousands of tourists every year.

An unusual entertainment venue, Manix Axe Throwing, is also set to open in the city. The axe-wielding chain has taken out the 755 sq m basement of 121 Elizabeth Street, paying around \$250,000 a year on a seven-year lease term.

And Shane Stafford's Rice Paper Scissors will open at 377 Little Bourke Street, on Racing Club Lane. The 112 sq m space is commanding \$80,000 a year in rent on a three-year lease term with a five-year option.



The showroom behind the Jam Factory at 34 Garden Street, South Yarra, sold for \$7.7 million.

Mr Taranto said there is significant inquiry and activity from existing hospitality operators looking to expand their presence in the CBD.

FREEHOLD SALE

The new year has started with a wide range of CBD freeholds for sale. Buyers with less than \$5 million to splash around could pick up a two-storey building at 8-10 King Street in the old nightclub belt or a shop at 257 Elizabeth Street.

CBRE agents Alex Brierley, Nathan Mufale and Jing Jun Heng are handling inquiries.

At the upper end, a branch of the Cohen family has put the historic Brash and Carnegie & Sons buildings at 108 Elizabeth Street on the market for \$50 million-plus.

The vendors spent \$11 million restoring the long-shuttered upper floors of the seven-storey building and signed up a full suite of tenants during the lockdown. Allard Shelton's Joseph Walton, Patrick

Barnes, Michael Ryan and Christian Hatzis are selling the building with JLL's Josh Rutman, Nick Peden and Min Xuan Li.

The building returns a total of \$1,881,785 rent a year with leases signed at around \$720-750 a sq m – a premium on the \$500-550 a sq m usually commanded. For decades, only the ground floor was leased. Flight Centre now has that space.

During the week, the 146-room Ibis hotel across the street fetched a bargain \$25 million – less than its replacement cost – when Sydney hotel developer Eduard Litvner made his first foray south.

GROUND LEASE

In 2017, *The Age* declared Tait Timber and Hardware in Glen Iris, the population centre of Melbourne. The site at 15 Weir Street, now a Mitre 10, has been supplying materials for building renovations in the eastern suburbs money belt since 1905. While the business and buildings were sold in 2011 to Woolworths for the now

defunct Masters business, the Hayes family retained the 8687 sq metres of land adjoining the M1 freeway and the railway.

Mitre 10's owner Metcash has a rare "ground lease" over the property, paying around \$1 million a year in rent. That land is now for sale and expected to fetch more than \$26 million.

Stonebridge Property Group agents Justin Dowers, Julian White and Kevin Tong, with Gross Waddell ICR's Andrew Waddell, Danny Clark and Andrew Greenway are selling the property via expressions of interest. Advise Transact's Mark Wizel is representing the family who bought the property in the 1960s.

SUBURBAN DEALS

An owner-occupier has snapped up a low-rise office at 163-171 Clarendon Street, South Melbourne, paying \$8.05 million. Fitzroys agents Chris James and Rob Harrington handled the deal which represented a land rate of \$13,400 a sq m.

The 657 sq m site is on the corner of Market Street and looked ripe for development. Hickory's new Market Lane office is next door and a new mixed-use project is proposed across the road. Mr James said 75 inquiries came from owner-occupiers and developers keen to get into the city fringe.

In South Yarra, Mr James and David Bourke sold a showroom behind the Jam Factory for \$7.7 million on a tight 2.47 per cent yield.

Records show the vendors paid \$360,000 in 1993. A local private investor beat a field packed with developers to secure the 900 sq m property, leased to custom window furnishings supplier Lovelight. On a 468 sq m site, the deal reflected a strong land rate of \$16,450 a sq m.

North of the city, a 514 sq m cafe at 138 Burgundy Street, Heidelberg, opposite Leo's Supermarket, also sold for the first time since the 1990s, fetching \$4.7 million.

The sale, handled by Gray Johnson agent Brett Simpson, reflected a yield of 2.7 per cent. Records show its vendors paid \$501,000 in 1995.

SACKVILLE STREET

Local technology company Linktree has taken out 1550 sq m of space in Collingwood's newest office building, 1 Sackville Street. The nine-level building developed by Riedanic is set back from the Smith Street strip just north of Johnston and brings 5388 sq m of A-grade office into the burgeoning northern fringe office market. Linktree, which manages multiple sources of online material for websites and social media accounts, is taking the top three floors of the building. The leasing deals were struck by Colliers agents Travis Myerscough and John Howell.

They'll be joining Epic Systems who recently signed up to 735 sq m and Bird-Dog which has taken up 550 sq m.