



CAPITAL GAIN

Hour Glass' Collins St spend gets Balenciaga

Listed Malaysian investment house and luxury retailer The Hour Glass has picked up the Balenciaga flagship store at 181 Collins Street.

It brings Hour Glass' Collins Street tab to more than \$100 million for the 2020/21 financial year.

Sources suggest the deal was done on a sharp 4 per cent yield which, given the 1.44 million rent, puts the price at around \$35 million.

Last year, The Hour Glass, established by Jannie and Henry Tay, paid \$68 million for 139 Collins street, tenanted by Louis Vuitton.

While they haven't told the Singapore Stock Exchange how much they've paid for No.181, they have disclosed a write-down of \$9.9 million on what they paid for No.139.

The Hour Glass owns other smaller pieces of Collins Street real estate and the high-end Watches of Switzerland chain.

The 181 Collins Street shop, just a 536 square metre shop and basement, was bought by the Smorgon family's VBS Investments in 2000 for \$4.25 million. The levels above

Nicole Lindsay



were turned into apartments in the late 1990s. It was the Ralph Lauren flagship store for 20 years but Balenciaga, desperate for a spot on Collins Street, snuck in and picked up the lease before it was renewed. Balenciaga opened in late 2019 with a 10-year lease.

The deal was negotiated by Vinci Carbone's Joseph Carbone and Frank Vinci, who declined to comment.

STONE COTTAGE

One of the city's oldest houses and businesses, Russell's Old Corner Shop, has finally come to market.

The Georgian-era sandstone cottage, built in 1850, before the gold rush transformed the city, has been in the same family for more than 120 years.

Allard Shelton's Joseph Walton is running an expression of interest campaign for 328-330 King Street which is expected to

fetch more than \$2.95 million.

The expected price, coming in lower than most CBD freeholds, is down to the extensive repairs the two-storey shop needs.

"It's a complicated asset. It would probably be worth over \$5 million but for some of the heritage issues and the need for significant restoration," Mr Walton said.

Built by the Heffernan family, it was purchased by Valletto Azzopardi, grandfather of the current owner, 98-year-old Lola Russell, in 1899. It's one of just a handful of pre-gold rush buildings remaining in the city.

It's on the south-west corner of King and Latrobe streets, opposite the Flagstaff Gardens in the city's legal precinct.

STRATA TOWER

Around the corner, a new \$60 million strata office building is set for an old warehouse at 563 Little Lonsdale Street.

Developer Hampton Projects has appointed agents to sell the individual whole floor offices in the 24-level tower, dubbed Bastion.

Colliers' strata team Anthony Kirwan, George Davies, Alexander



Leggo and Oliver Hay are handling enquiries.

The whole floor offices range in size from 87 to 272 sq m and are understood to be selling for between \$11,000 and \$14,000 a sq m.

Designed by DKO Architecture, the glass tower will retain its heritage warehouse roots as a facade.

Hampton Projects directors Matthew Gazzard and David Smythe said: "We designed a building we wanted to work in."

"There have only been two purpose-built, single-use strata office buildings built in the CBD in the past 20 years, 2Q Tower delivered in 2007 by Macquarie Bank and '41 X' delivered in 2014 by

the Australian Institute of Architects. Capital values in both buildings have now more than doubled," Mr Kirwan said. Construction has just started on a third building at 130 Little Collins, where pre-sales hit the 50 per cent mark and prices have ranged from \$16,000 to \$21,000 a sq m.

"There are only six strata titled

buildings in the legal precinct which provide whole floor offices, all built before the mid-1990s, and they don't provide amenities such as end of trip facilities," he said.

Records show the 335 sq m site was bought at auction in March 2017 for \$6.62 million by 563 LI, a company co-owned by Hampton and Singaporean Beng Kooi Yap.



From main: Balenciaga's flagship store on Collins Street; The new Bastion tower at 563 Little Lonsdale Street will have 24 levels of whole floor offices; One of the city's oldest houses and businesses, Russell's Old Corner Shop.

It's expected to sell for more than \$4.5 million.

Late last year Spiritgrow snapped up 80-82 Kooyong Road, North Caulfield for its new synagogue and community centre. The 484 sq m building is on an 1187 sq m block diagonally opposite Memorial Park.

The Balaclava road property covers 1777 sq m but is on a smaller 552 sq m parcel of land in a busy shopping strip. It has an existing permit in place for redevelopment.

SPIRIT GROWS

Jewish community group Spiritgrow is offloading a North Caulfield office building, which the group had planned to redevelop as its headquarters.

The 206 Balaclava Road property is going to auction through Colliers agent Daniel Wolman and JLL's Josh Rutman.

AUCTION ACTION

Auctions continue to go gangbusters.

The faux Tudor row of six shops opposite Prahran Market sold at \$11.4 million with seven bidders pushing the price 21 per cent past a