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Mortgagee tender in changing Greenlane

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Property developer Tony Tay's Greenlane headquarters have been put up for sale by ASB as a mortgagee tender.

Owned and mainly occupied by Tony Tay Group, the 1914sq m property at 540 Great South Rd is being sold by CB Richard Ellis as substantially vacant. The tender closes on 24 June.

The property, built in 1979 and extensively refurbished over recent years, has two floors of office and showroom space, basement storage and parking for 37 cars. It has a rent roll of \$110,000 from three tenants who occupy one third of the building.

CBRE sales brokers Colin Stewart and Jonathan Ogg say the building is unusual for a city fringe office. "It has 800sq m floorplates, which are big by city fringe standards, and the best parts of the building – the top floor and ground floor showroom – are vacant," says Stewart.

"It is a solid city fringe investment for an owner-occupier," says Stewart. "A new owner will get an attractively fitted out."

Before Tony Tay Group bought the property it was a vehicle showroom and the Call Plus call centre.

The building sits on a 1276sq m leasehold site zoned Business 4 under the Auckland City Council's District Plan. Car parking is provided on an undivided half share of a 914sq m freehold site at the rear of the property zoned Residential 6A. Stewart says both the leasehold and freehold land is being sold and the leasehold will collapse on settlement by a new owner.

The two level and part basement building has an 829sq m first floor, 819sq m ground floor and 266sq m basement.

Site plans show the rectangular shaped main site falls away from its Great South Rd frontage which gave room for the development of the part basement. Stewart says a one metre reinforced concrete back wall retains the rear boundary. "This wall drops away to the lower level car park running through to Woodbine Ave."

On the building's ground floor there is a vacant foyer, refurbished showroom to the Great South Rd frontage and two rear tenancies occupied by a church and a law practise. The vacant top level has a foyer, reception and waiting areas with offices to either side or a boardroom. Motorcorp Distributors leases the basement.

Stewart says the property was extensively upgraded in 2007 and included refurbishment of the ground and first floors, an upgrade of the bathrooms and kitchens and exterior of the building. "It is an above average property in keeping with similar buildings in the local area."

Occupying a prominent location on Great South Rd, close to the intersection with Greenlane East and the Harp of Erin, the property is on a route carrying heavy volumes of traffic seven days a week. It is within a short drive of the Greenlane motorway on-ramp and Auckland's main arterial routes.

Traffic congestion around the Greenlane motorway ramps will be improved as part of the \$195 million Newmarket Viaduct project.

As more than 16 per cent of southbound traffic crossing the Newmarket Viaduct exits at Greenlane a new southbound lane is being added from Market Rd to Greenlane along with a motorway noise wall.

This is part of the project replacing the 43-year-old six lane Newmarket bridge with a seven lane Structure and four lanes from the city to Greenlane by the Rugby World Cup. The project will be finished by February next year.

"This will enhance Greenlane's reputation as a sound location for business," says Ogg. "The objectives of the council's zones in this area are to encourage development of vibrant urban areas through a range of mixed use business, education and leisure activities close to existing town centers.

"Apartments and housing are not permitted as of right in the Business 4 zone as it is applied to existing areas of low to medium intensity where light industrial and services are dominant."

Ogg says the Residential 6A part of the property is a different story as dwellings at a density of one unit per 375sq m are permitted. "The zoning allows for two units to be built on the rear car park, but it has existing use rights under the Resource Management Act for parking."

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