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Demand for residential sites spurs Deague family sale at South Yarra

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The Deague family's Asian Pacific Building Corporation (APBC) is moving to capitalise on the strong demand for Melbourne residential sites with a major offering in South Yarra.

CB Richard Ellis and Jones Lang LaSalle have been appointed as the joint sales agents for APBC's former warehouse site at 4-10 Daly Street.

The site has an existing DA for a 13-level residential tower and a permit application well advanced to increase the scheme to 18 levels, allowing for up to 426 apartments.

The Expressions of Interest campaign will close at 4pm on October 21, 2010 through CBRE's Andrew Dawkins and Paul O'Connell and JLL's Steven Messina and Dominic Gibson.

APBC's CEO Will Deague said the sale was consistent with the group's ongoing commitment to focus on its Art Series Hotel Group. Last month the group opened its third art hotel, the five-star The Blackman on St Kilda Road.

While hotel plans were also initially mooted for Daly Street, Mr Deague said the strength of demand for inner city residential development opportunities had underpinned APBC's decision to sell the South Yarra holding and focus on the group's other hotel opportunities.

"We believe this to be the best residential development site in Australia because of its north facing position overlooking Melbourne High School's playing fields, with views never to be built out," Mr Deague said.

"It's centrally located in the heart of South Yarra's hottest up and coming precinct."

A three-level basement has already been constructed on the 3,037 square metre Daly Street site.

CBRE South Yarra Managing Director Andrew Dawkins said a shortage of inner city residential apartments and the high level of demand from both investors and owner occupiers had fuelled significant increases in CBD and CBD fringe apartment values.

This, combined with Melbourne's current low residential vacancy rate and expected rental growth, was driving demand for strategically located development sites.

"Having secured planning approvals, completed full construction drawings and excavated the three-level basement, 4-10 Daly Street effectively provides purchasers with a two year / \$6 million head start," Mr Dawkins said.

The site is situated in the heart of South Yarra's highly successful Forrest Hill precinct, within close proximity to the recently completed Olsen Hotel and the new Lilli apartments, which are currently under construction.

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