

# P R E S S   R E L E A S E

CB Richard Ellis Pty Ltd  
ABN 57 057 373 574Level 26, 363 George Street  
Sydney NSW 2000  
DX 10262T 61 2 9333 3333  
F 61 2 9333 3330[www.cbre.com.au](http://www.cbre.com.au)

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For further information:

Kathryn House	Rob Sewell
Communications Manager	Regional Director
61 2 9333 3585	61 2 9333 3323
61 402 465 440	61 407 243 229

## **Martin Place landmarks listed for sale**

Sydney, NSW (3 September 2010)

Two of only 15 buildings on Sydney's premier Martin Place office/retail strip are to be offered for sale through CB Richard Ellis.

C.G. Maloney has appointed CBRE's Rob Sewell, Richard Butler and Josh Cullen as the exclusive selling agents for 4 & 14 Martin Place – adjoining buildings which will be offered for sale either individually or in one line.

Mr Sewell said the sale was a move by C.G. Maloney to capitalise on the strong prices being paid for high quality Sydney CBD assets in order to reinvest in the city's recovering hotel sector.

Expressions of Interest will close 23<sup>rd</sup> September at 4pm.

"This represents a very special opportunity to acquire two exceptional adjoining freehold assets that sit in a prime position on Martin Place between George and Martin Place, directly opposite the historic GPO complex," Mr Sewell said.

"There is significant potential to improve the income of the properties, both of which have rear frontages to Angel Place which can be converted to additional retail space."

Mr Sewell said the properties' prime location on Martin Place – one of Australia's most prestigious business locations – would underpin interest in the sale campaign.

The area's appeal to luxury retailers had recently been evidenced by Burberry's lease commitment to nearby 343 George Street and Louis Vuitton's proposed new flagship store, which would be relocated to the corner of King and George Streets.

Martin Place landlords were also tipped to benefit from significant growth in CBD office rents.

"Limited new office construction will drive a reduction in CBD vacancy levels and generate strong rental growth over the next five years," Mr Sewell said.

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“Industry forecasts are for circa 20% growth in prime rents over the next three years. With a number of tenant expiries within this time frame, this growth can be captured at 4 & 14 Martin Place. There is an excellent opportunity to consolidate the number of tenants and reset leases on a longer term basis at higher rentals as well as scope to reduce overall operating costs.”

4 Martin Place, also known as Challis House, is a 12 storey office building completed in 1907 and significantly refurbished in 1993 to include a total net lettable area of 6,431 square metres. The ground, mezzanine and first level of Challis House are occupied by Giorgio Armani – constituting 15% of the NLA and 30% of the income and providing what is regarded as one of Sydney’s best retail premises.

A Development Application (DA) has been approved to convert the car park of Challis House into eight retail suites (totalling 460 square metres) which would open onto Angel Place and create a similar feel to Melbourne’s laneways, with opportunities for a number of food or liquor based retailers.

Existing office tenants include the Institute of Actuaries and Orbis Investment.

14 Martin Place is an “L” shaped office building consisting of an original eight level heritage building fronting Martin Place and an adjoining 20 level office tower on Pitt Street which was built in 1976 and refurbished in 1988. The total office area is 11,219 square metres. A mechanical overhaul and interior refit of all six lifts was just completed.

The building also includes eight retail suites which extend from Martin Place, around Pitt Street and into Angel Place, offering a total area of 1,911 square metres. The retail space is anchored by Cerrone Jewellers and fashion retailer Herino on leases until 2019.

“While the existing retail leases represent 15% of the building’s income, the remaining six retail units have short leases and would benefit from repositioning and remixing.” Mr Sewell said.

#### About CB Richard Ellis

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