

# PROPERTY COMMERCIAL MARKET

## Port office suites have \$30m sweet taste for investors

By **CHRIS VEDELAGO**

PORI Melbourne's status as an emerging office area and strong investor interest have driven nearly \$30 million worth of office suite sales at CGA Bryson's Portpark Corporate Centre in the past year.

More than 70% of the 72 office suites under construction

in stage 3 of Portpark have been purchased before their completion — due in August — with investors accounting for about two-thirds of sales.

Tim Grant of agents Colliers International said a guaranteed annual yield of 7% had attracted small, private investors in search of stronger returns than the residential property market

“Investment sales this year have generally been down on 2007 but what has driven these sales has been affordability and the lack of alternative investments able to offer equivalent returns,” Mr Grant said.

“Small investors have been at a loss about where to invest. The equities market has been regarded as way too volatile and

the housing market, despite the low vacancy rates, still cannot match the returns available here.”

Stage 3 of Portpark, at 574 Plummer Street, comprises two 3200-square-metre buildings of suites ranging in size from 46-152 sq m. The suites are fetching about \$4500 a sq m, with many investors preferring

smaller units under \$350,000. Mr Grant said the first leasing deals on investor-owned units were close to being finalised at rents of \$315 a sq m, with leasing expected to pick up when construction and fit-outs are completed.

The \$75 million Portpark Corporate Centre is a joint venture between CGA Bryson

and AMP Capital Investors, with stages 1 and 2 on the four-hectare site devoted to high-tech and standard office-warehouses.

No further room for development is available.

**LINK**

► [www.cgabryson.com.au/portpark.html](http://www.cgabryson.com.au/portpark.html)