

SALES & LEASING

Chapter closes \$10.5m deal

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CHAPTER Group has offloaded the entire commercial component of its Ukiyo project, in Melbourne's inner suburb of Prahran, to a single owner occupier for \$10.5 million.

The three levels of office space at 101 High St, which total 1,250 sqm across three floor plates of over 400 sqm, were sold off the plan by Colliers Ben Baines, Andrew Ryan and Raphael Favas, in conjunction with Knight Frank's Matt Romanin and Nick Bisset.

Favas said the eventual purchaser was drawn to Ukiyo's design and strategic positioning within walking distance to Chapel Street, Prahran station and St Kilda Rd, easily connecting future occupants in and out of the CBD.

"The strong sales result confirms the surging demand from owner occupiers for brand new, high quality office opportunities within the City of Stonnington in particular, and across Melbourne more widely.

"These groups have been starved of quality purchasing opportunities for a number of years which has resulted in overwhelming demand from local tenants and owner occupiers alike."

Chapter Group director, Dean Lefkos, said construction would begin shortly on the \$40 million mixed use project. All but three of the high end residential apartments having also sold since its launch in February.

Romanin said the decline in CBD office vacancy has led to a leap in enquiry from owner occupiers/tenants seeking premium office space in fringe areas such as Prahran.

Colliers says it is currently working with more than 30,000sqm of active demand for similar office opportunities, with the demand leading to a 14% increase in capital rates for strata office in the city fringe in 2019.

About \$46.28 million of strata office stock has been sold in the city fringe market to date this year, according to Colliers, on track to pass last year's \$50.16 million.