

# Chapter Group looking to build a \$95m apartment building in Melbourne's Fitzroy

By GIUSEPPE TAURIELLO

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Artist's impression of the Fitzroy Fitzroy mixed-use development by Chapter Group, CDL Australia and Crema Group. Supplied by Chapter Group

A flagship Kathmandu store in Melbourne's Fitzroy would be replaced with a \$95m apartment building under plans by developer Chapter Group.

Dubbed "Fitzroy Fitzroy", the mixed-use project would rise nine levels above Smith Street and comprise a mix of six townhouses and 63 apartments, with the apartments ranging in price from \$570,000 to \$3.7m.

It would also include 679 square metres of office space and 575 square metres of ground floor retail space across three tenancies fronting Smith and Leicester streets.

The project is a joint venture between Chapter, CDL Australia and Crema Group.

Chapter director Dean Lefkos said the partners were aiming to capitalise on demand for office space in Melbourne's inner suburbs, while also incorporating a "sweet spot" mix of residential and retail space.

"We like fringe commercial. The flight out of the CBD by corporates, coupled with low interest and cap rates has provided this market segment with momentum," he said.

"Commercial feasibility metrics versus residential are starting to look quite favourable. We forecast this to continue for the next few years so looking to be active in the right locations – Windsor/Prahran and Collingwood/Fitzroy where we have exposure. There is a shortage of quality new office space in Fitzroy and we expect the Fitzroy Fitzroy commercial offering to be in high demand."

Mr Lefkos, an ex-Goldman Sachs banker, co-founded Chapter in 2010, and has since completed a number of apartment and office projects in Melbourne.

Designed by DKO Architecture, Fitzroy Fitzroy "leans back" at the higher levels to accommodate setbacks, maximise sunlight and create "private loggias" for residents.

CDL is a subsidiary of Singapore-listed City Developments. In Australia, CDL has a pipeline of 800 units in Brisbane and Melbourne.

The family-owned Crema runs a number of businesses across the Melbourne's construction and development sector, and is one of city's major suppliers of precast and premix concrete.