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Why location is a key factor for Chapter Group's apartment developments, as Fitzroy Fitzroy launches

Chapter Group's most recent strategic acquisition and launch is Fitzroy Fitzroy, a striking mixed-use project in the heart of Fitzroy, a joint venture with CDL Australia and Crema



Chapter Group's newest joint venture development, Fitzroy Fitzroy. Image supplied

Joel Robinson | Nov 29, 2021 | 5 min read



The Melbourne property developer, Chapter Group, has carved out a reputation for producing high quality multi-residential and mixed-use buildings across Melbourne's inner ring for over a decade.

Speaking to Urban, Chapter Group director and founder Dean Lefkos said that the location is one of the top priorities when it comes to planning their next development.

"If you've bought well, in a good location which is going to be in demand through cycles, in some way shape or form, you can mitigate the risk that that development inherently has," Lefkos says.

"Capital growth in the more blue-chip inner ring suburbs is also more predictable," Lefkos suggests, adding that, depending on the real estate cycle, the site which was intended for office could become residential, or vice-versa.

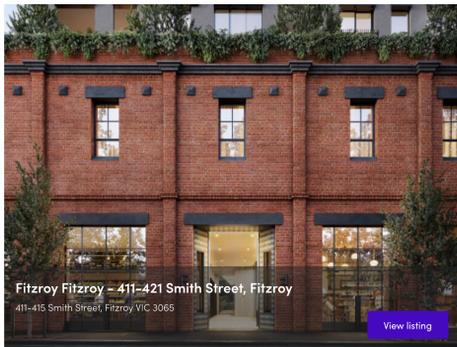
Chapter Group rarely secure sites which are listed for sale on the open market, which is another key part of their philosophy. They prefer to keep their ear to the ground and use their contacts within the industry to quietly buy sites off market, which Lefkos says unlocks more value.

"If you get a track record in the industry, then they'll come to us. We receive strong inbound interest due to our track record in the industry" Lefkos says.

"Buying off market allows us to be more selective in the site and its location, as well as handle all of the due diligence in a more timely fashion than a listed site.

"We can bring in the architects at the earliest possible stage to talk design, before committing to the site purchase."

Chapter Group's most recent strategic acquisition and launch is Fitzroy Fitzroy, a striking mixed-use project in the heart of Fitzroy which is a joint venture with CDL Australia and Crema.



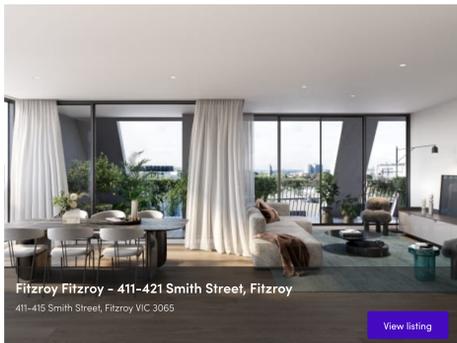
Fitzroy Fitzroy - 411-421 Smith Street, Fitzroy
411-415 Smith Street, Fitzroy VIC 3065

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The [DKO Architecture](#)-designed building of 63 residences has seen a wave of buyer demand, ranging from a Sydneysider intending to relocate, to a buyer based up in Swanhill, who purchased over a Zoom call.

The majority of enquiry has been from those who know the inner north area and Fitzroy and have been keen on the location and unique design.

Chapter will build above the existing heritage facade on the site, incorporating the current structure within the design of the ground level retail, level one commercial space, and the multi-level townhouses on Leicester Street.



Fitzroy Fitzroy - 411-421 Smith Street, Fitzroy
411-415 Smith Street, Fitzroy VIC 3065

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Chapter Group's Senior Development Manager, Oliver Carroll, said keeping the existing building makes for an interesting built form.

"Fitzroy Fitzroy is a really striking design that reflects where the markets heading - and responds closely to the local culture within Fitzroy," Carroll says.

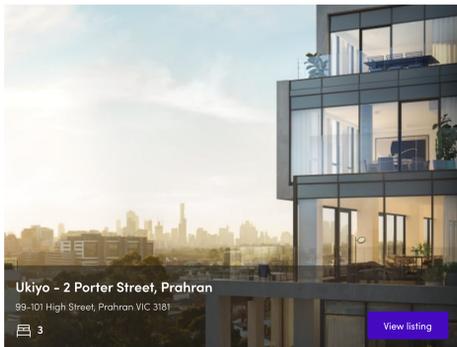
"It's in the heartland of old Melbourne - one of Melbourne's oldest suburbs.

While COVID affected a number of developers, who had to pivot away from the high density stock to a more owner-occupier friendly mix of apartments, Chapter Group didn't have to do too much to facilitate a point of difference.

"It wasn't necessarily a case of making the apartments bigger, given we've always consciously built apartments for owner-occupiers, but we wanted to be more clever with our designs", Carroll added.

"One of the biggest changes was to create that working from home space, without changing the configuration of the apartments by losing a bedroom to a home office. It was important to build in a way where residents can step away from the TV space to work"

Chapter Group recently topped out another one of its developments, Ukiyo, a strikingly modern development of just 10 half and full-floor apartments in Prahran.



Ukiyo - 2 Porter Street, Prahran
99-101 High Street, Prahran VIC 3181

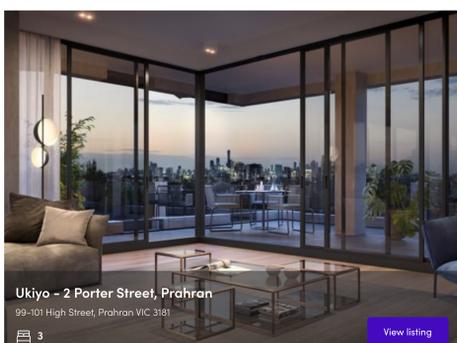
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Ukiyo was designed by K2LD Architects, merging together the term Ukiyo, which translates to 'floating world' in Japanese, with the origins of Prahran, which was named as a compound of two Aboriginal words, 'land surrounded by water'.

The design was drawn from the Japanese Ukiyo-e art movement Ukiyo, which creates floating worlds deeply connected to the rhythms and lifestyles of the neighbourhood.

Completion of the 10-apartment development is slated for mid-2022.



Ukiyo - 2 Porter Street, Prahran
99-101 High Street, Prahran VIC 3181

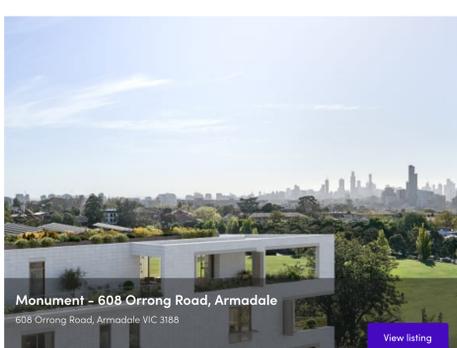
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Chapter Group's other project, the luxury Armadale development Monument, has sold steadily throughout COVID, despite the average sold price currently tracking at around \$3 million.

"It's a testament to the product, location, and design", Lefkos says.

As expected, the interest has been 80 to 90 per cent locals, predominantly downsizers who have walked around the area and know the location, and are wanting to stay within the area they've known for years.



Monument - 608 Orrong Road, Armadale
608 Orrong Road, Armadale VIC 3188

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Lefkos says the buyers that they often cater for are people who have gone through a number of properties over their lifetime, or may have even built their homes.

"These purchasers won't always just accept what's given to them. They want that level of customisation, maybe combine two two-bedroom apartments, or add a den, home office, media room, or even a spa on the balcony."

One Monument buyer had Chapter Group put a roof terrace on their apartment.

"There's no cookie-cutter approval to development," Lefkos says.



Joel Robinson

Joel Robinson is a property journalist based in Sydney. Joel has been writing about the residential real estate market for the last five years, specializing in market trends and new developments across the country

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