

Receiver acts on tight times

Nick Lenaghan

The receiver of the Record Realty Trust hopes to take advantage of Melbourne's tight office market to sell a \$35 million St Kilda Road property.

Receiver KordaMentha is pursuing a strategy of releasing Record properties selectively on to the market.

A plan to market Record's \$600 million remaining Australian assets in one portfolio was shelved earlier this year, as interest in individual properties grew.

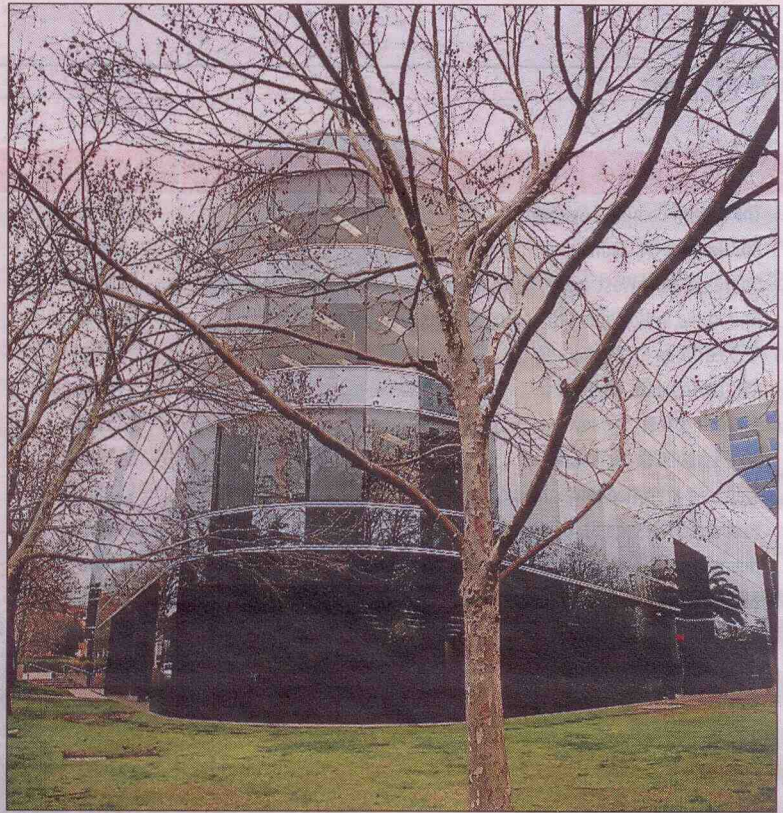
The four-storey building, at 601 St Kilda Road, has a 230-space car park and stands at the High Street corner.

Vehicle insurer AAMI is the sole tenant for the 11,000 square metres of office space in the building.

The vacancy rate in the St Kilda Road precinct is expected to fall below 7 per cent this quarter as a strong run of leasing deals fills the available space.

In recent years, a trend to convert office buildings into high-end residential units along the tree-lined boulevard has reduced the amount of commercial space in the precinct.

The property – to be marketed by Jones Lang LaSalle agents Robert Anderson and James Kaufman and Knight Frank agents Paul Henley and Paul Burns – will



The property at 601 St Kilda Road in Melbourne.

Photo: ARSINEH HOUSPIAN

appeal to commercial investors and residential developers. It stands on 7300 square metres of land.

The global credit squeeze tipped over Record's highly-gearred portfolio, which held \$2.3 billion of property in Australia, Germany and the United States at its height.

In early 2009, the Bank of Scotland International appointed receivers. Last month the receivers of Record's portfolio moved to offer the \$200 million Australian Securities Exchange headquarters

building at 20 Bridge Street in Sydney.

Meanwhile, Charter Hall's Core Plus Office fund is selling 150 Queen Street, in Melbourne's CBD.

The 13-storey building, on the corner with Bourke Street, has 8000 square metres of lettable space and is expected to fetch around \$25 million.

It will be marketed by Colliers agents Nick Rathgeber and Leigh Melbourne, and by Savills agents Clinton Baxter and Dominic Long.