

# Market Leader

Bringing you the latest news, facts and figures from the world of commercial real estate.

## Expansion in pipeline for North Melbourne



Melbourne's Industrial North is seeing huge growth at present with a significant new development in the pipeline. According to John Georgiou, Commercial Industrial Specialist for Epping and Thomastown in North Melbourne, "the main reason for this is the population growth and the number of companies moving out of built up areas closer to the CBD. Many of the city fringe industrial suburbs are slowly being redeveloped to residential, therefore companies are looking to be closer to the main arterials with more modern facilities."

Owner occupiers are being attracted to the North Melbourne market and an increase in demand for new facilities is arising. Mr Georgiou says "I believe that with the low interest rate environment and many years of increased growth in the economy, this has enabled people to afford a quality product and demand a new

facility rather than older. The new estates are now located on main arterial routes making them highly sought after."

The 'New Epping' development proposes to transform a once old quarry into a huge \$1.2 billion master-planned mixed-use community.

"This is an exciting, massive mixed-use development. When the time comes we would surely be looking at trying to become appointed with other commercial firms. This development will predominately be retail and commercial with a smaller amount of industrial."

Developments such as the 'New Epping' are certain to bring about change in the market but Mr Georgiou believes "As long as the development is slowly released onto the market it will not drastically effect the supply we have".

Mr Georgiou predominantly is selling to owner occupiers off the plan buildings that are of a

very high quality, with 20% office component or more. Owner occupiers are taking advantage of the 'off the plan' stamp duty saving that will expire this month. The State Government's proposed plan for the end of June will remove any form of off the plan stamp duty savings. This means a high rate of stamp duty in the commercial sector of 5.5% will take effect after June. Mr Georgiou says, "The off the plan stamp duty saving will cause us substantial difficulty in the near future as some of these savings can be quite significant".

"Many of our investment sales are new and vacant properties, as investors are after the depreciation that a new building offers, investors are achieving a 6.5% to 7% yield. We also have a few estates that are now completed with many outside builders commencing construction and these are selling below market rates."

# Launceston's iconic "Holyman House" goes under the hammer



NAI Harcourts commercial broker Andy Howell jointly with Burgess Rawson sold 'Holyman House' earlier this year, one of the most iconic art deco buildings in Launceston for the price of \$3 million at a yield of 7.9%.

Located in a prominent position on the corner of Brisbane and George Streets, Holyman House is arguably one of Launceston's most attractive and recognisable buildings. It is positioned one block away from Launceston CBD's mall and is surrounded by national retailers.

The building was designed by Roy Sharrington Smith and was built in 1936 to house the various branches of Holymans shipping and aviation interests as well as an automobile showroom for Holyman's automotive division. The building was designed to reflect the bold futuristic vision of the Holyman Company with the sleek curves, neon-lit spire and modern steel frame construction.

Holyman House is Launceston's stand out Art Deco period building and while the ground floor retail areas have been modernised, the upper levels have been well maintained and retain many of the period features of the style. The building comprises ground level retail plus mezzanine area, three upper levels plus a roof top residence now utilised as an office space. The rooftop also includes an impressive accessible rooftop area which provides incredible views of the Launceston CBD.

This property was on the front page of 'The Examiner' newspapers property guide, the first time a commercial property has been featured with residential properties usually featured.

The property was last sold on the market in 2003. This time the purchaser is a businessman

from Victoria who has the intention to undertake some restoration to bring the property back to its former glory.

The property generated one hundred enquiries and was on the market for just under three weeks. Given the property's historic nature there was much public interest at the auction which was held at the Crown Casino, Melbourne. One hundred and fifty people were in attendance with six active bidders on the day.

Andy Howell says "the previous highest sale from the NAI Launceston office was \$1m so I am very proud of our achievement. The sale has generated a lot of interest and has given us great exposure locally and is showing clients just how powerful the NAI Harcourts team, network and systems are."

Richard Laery, CEO of NAI Harcourts Australasia says "This is a fantastic example of how the NAI Harcourts team is putting clients first. Using professionals like Burgess Rawson to run the auction in Melbourne while keeping a local, skilled commercial professional on the ground provides clients with a high-quality service. It is great to see outcomes like this and proves we are challenging the current real estate model."

## NAI Harcourts National Award Winners 2017



Phil Grant, No1. National Commercial Sales Consultant



John Georgiou, No2. National Commercial Sales Consultant



Warrick Hobart, No3. National Commercial Sales Consultant

The top NAI Harcourts brokers were under the spotlight at the Harcourts International Awards at The Star Gold Coast in June this year, attended by a crowd over one thousand.

Director of Commercial Sales and Leasing for NAI Harcourts in Aspley, North Brisbane, Phil Grant was awarded 'Top Commercial Sales Consultant' across NAI Harcourts Australia.

Mr Grant is no stranger to winning, with this award already under his belt from the Harcourts National Awards from 2015. In May, of this year Mr Grant was also awarded 'Top Commercial Sales Consultant' for the state of Queensland, the second time he has won this award.

A strong, focused work ethic is what Mr Grant believes is the key to his success. He is passionate about his work "I love what I do and if that takes working weekends and all hours of the week that is what I will do", he says. "I always answer my phone, and I make sure I always return calls."

NAI Harcourts Australasian CEO, Richard Laery says "Phil is a proven performer who works exceptionally hard. He maintains his competitive edge by providing exceptional service to his clients while taking full advantage of the tools that NAI Harcourts provides which uphold his edge in the business."

Having achieved such prodigious accolades Mr Grant is sure to not waste the opportunity to use them in his business. Mr Grant works closely with the Harcourts residential team to make sure they are fully aware of the commercial services he can provide for their clients. As number one commercial broker in the Harcourts Group Australia, Mr Grant makes it a priority that clients turn to him for their commercial property needs. "It's important to me that the residential team know and understand I can add significant value to their business."

"I always have the clients interest at heart. I specialise in providing the best solution to achieve the client's ideal outcome".

Coming in second 'Top Commercial Sales Consultant' was John Georgiou from North Melbourne who specialises in the commercial industrial sector. The North Melbourne market is seeing huge growth at present and Mr Georgiou is proving to be the go to broker in his field.

Warrick Hobart received third 'Top Commercial Sales Consultant'. Warrick is a recognised specialist in commercial sales and leasing in Hobart, Tasmania. Warrick has a proven strategic and operational record of accomplishment in both commercial and corporate real estate over an industrious career.

Top NAI Harcourts Office for Gross Commercial Revenue and for Commercial Auction and Tender Listings was awarded to the NAI Harcourts Gold Coast, Queensland office.