

News Corp sells Leader Melbourne premises for \$30m to fund manager Vantage

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[FINANCIAL REVIEW](#)

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Rupert Murdoch's News Corp has sold the premises of its Leader community newspaper business in Melbourne's eastern suburbs for \$30.2 million.

The mostly vacant, 6059-square-metre office building at 1 Chapel Street in Blackburn was acquired off-market by Melbourne fund manager Vantage Property Investments, led by Matt Spring and Hamish de Crespigny.

In June 2016, News Corp Australia announced the closure of seven of its Leader community papers, including the *Melbourne Leader*. The low-rise office Blackburn building was sold with a partial tenancy to Leader Newspapers on five-year lease term.



Vantage Property Investments has bought Leader's 6059-square-metre office building at 1 Chapel Street in Blackburn.

At a building rate of about \$5000 per square metre, Mr de Crespigny said the investment was "pretty compelling" given the strong local demand for office accommodation and "value-add upside" that could come from adding a second office building or developing the large site, which is only a short walk from the Blackburn train station.

"There's multiple exit strategies for this property," said Mr de Crespigny, whose investment firm has also been active on the other side of ledger, [after recently selling two suburban office properties in Box Hill and Mulgrave for a combined \\$24.5 million.](#)

The nearby site of another former Leader building at 160 Whitehorse Road, earmarked for a major apartment project, sold for almost \$24 million to developer Pace in July. News Corp sold it to another developer, Blackburn Blossom for almost \$20 million in 2015.

Mr de Crespigny said Vantage had already leased up 65 per cent of the Blackburn building prior to settlement, with L&H Electrical secured as a tenant.

The property will be held in a stand-alone pooled investment fund managed by Vantage, whose portfolio includes a number of suburban office buildings as well as CBD towers like 446 Collins Street and 11 Queens Road.

The sale of 1 Chapel Street was brokered by Scott Orchard, Josh Rutman and Kiran Pillai of CBRE.

Mr Orchard said the deal added to a healthy list of suburban Melbourne office sales this year.

"White-collar employment growth, tenant demand and rising rents, coupled with increased investor capital from local, interstate and Asian buyers, is underpinning buyer interest and pricing in Melbourne's suburban office sector," he said.

In May, Probuild founder Phil Mehrten cashed in on strong demand for well-located suburban assets, selling a [1302-square-metre office building in Hawthorn for \\$15 million on a record low yield of 3.2 per cent.](#)