



HThree swoops on Collins Street office

September 12, 2021 Marc Pallisco

Vantage Property Investments has sold a Collins Street office for more than twice what it paid in 2015.

HThree City Australia is spending \$72.625 million on #446 following an off-market deal; it is the Singapore group's maiden Australian acquisition.

The vendor outlaid \$33.76m, holding it on behalf of an entity co-directed with Malaysian investors.

That seller, the Cohen family of Godfreys fame, paid Becton \$18.3m in 2010.

In 1987, the property sold for \$18.09m – a then record result for a Melbourne auction.

446 Collins Street

Over 12 levels, 446 Collins St contains 5600 sqm of area – with floorplates of 446 sqm.

About 3000 sqm is vacant.

A capital works program – which renovated the foyer and some office levels, and added end-of-trip facilities – was recently completed.

CBRE's [Kiran Pillai](#), [Mark Coster](#), [Scott McGlone](#) and [Stuart McCann](#) were the marketing agents. Last month, the National Pension Service of Korea spent \$1.2 billion – [the highest price outlaid for an Australian office this year](#) – for 699 Collins St, Docklands.

That seller, Lendlease, [in June paid Swiss Re \\$203m](#) for 469 La Trobe St, opposite Flagstaff Gardens.

“The 446 Collins St sale highlighted ongoing buyer demand for Melbourne investment opportunities,” Mr Pilai – who also struck the 469 La Trobe St deal – said.

“The strength and speed of the deal speaks volumes in relation to the emphasis that international investors are placing on continued investment into Melbourne,” he added.

“As other major markets in the region re-open and vaccination rates surge locally, we are seeing both international and local groups placing more and more focus on the office sector as the return to the office effort builds momentum” (story continues below).

More offices to come: HThree

HThree chief executive officer Kevin Kang said the acquisition of 446 Collins St was completed within a short (10 week) window.

“I am proud of the team for successfully completing HThree’s maiden Australian acquisition in this challenging climate of lockdowns and travel restrictions,” he added.

“Notwithstanding the increasing prevalence of work-from-home arrangements, we are strong believers in the office sector and even more so of the Melbourne office market.

“There will always be a need for companies to have a physical office space, although the form of the office environment as we know it now will evolve over time”.

The group, which was represented by legal advisers David Sinn and Julia Orbach from Herbert Smiths Freeholds, and on financing, by Ashurst’s Ken Nguyen and Sophie Ng, intends to grow its Australian office portfolio.

Vantage reweights

Vantage managing director Matt Spring described the Collins St sale result as exceptional.

“Vantage’s philosophy is to create income and value through the identification of quality buildings in excellent locations, with sound property fundamentals,” he added.

“Our hands on approach from beginning to end, provides a strong point of difference for our clients and investors when opportunities arise to transact”.

In July, [the company banked \\$17.158m selling a low-rise office](#) in central Box Hill permit-ready for a 30 storey mixed-use skyscraper.

Last year, the manager [snapped up St Collins Lane](#) – the new name for the retail arcade once known as Australia on Collins – for c\$125, a substantial discount on the \$150m guide. The company [offloaded a Mount Waverley office](#) to Ocean Sky International for \$21.83m too.

In 2019, [Vantage acquired 574 St Kilda Road](#), on the south west corner of Beatrice St, for \$58m with repositioning plans. Also that year, [it sold 420 St Kilda Rd for \\$98m](#) – a \$30m uplift on the price it outlaid in 2017 before renovating.



Vantage last year [paid \\$125 million for St Collins Lane](#) – the former Australia on Collins.



Lendlease [banked \\$1.2 billion from 699 Collins Street](#) earlier this year.



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