

Vantage sees advantage in suburban market

Nick Lenaghan *Property Editor*

[FINANCIAL REVIEW](#)

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Local fund manager Vantage Property Investments has cashed in on the rising heat in suburban office markets with two off-market sales for a combined sale price of \$24.5 million.

The sales represent a 69 per cent uplift to the \$14.5 million combined purchase price for the two assets which were acquired six years ago.

Led by led by Matt Spring and Hamish de Crespigny, the boutique Melbourne-based fund manager [specialises in working over and leasing up](#) under-loved commercial properties.



Vantage is taking advantage of appetite in Melbourne's suburban office market. **Unknown**

"It just shows the strength of the metropolitan market for strongly positioned assets," Mr de Crespigny told *The Australian Financial Review*.

Both assets, in Mulgrave and Box Hill, were held in Vantage's Diversified Portfolio Number Two, which was set up in 2012 to take advantage of market conditions at the time and acquire office assets at below replacement cost.

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Since acquiring the two properties, both have been fully leased and were sold with an average lease expiry of three years across the portfolio.

The Mulgrave building, at 271 Wellington Road, was sold for \$9.75 million on a 5.8 per cent passing yield.

The second property, at 18-20 Prospect Street in Box Hill, sold for \$14.75 million with a 5.7 per cent passing yield.

Colliers International's Peter Bremner brokered the Box Hill sale to a local private investor.

"The successful buyer was more interested in the investment fundamentals of the property rather than the re-development potential," he said..

Fitzroys' Paul Burns handled the Mulgrave transaction to a Singapore-based investor making their first acquisition in the Melbourne market.

Mr Burns said the buyer of the Mulgrave building had recently bid unsuccessfully on several other commercial office investments in the Melbourne metropolitan market.

With that, the buyer was well-informed and attracted to the diverse income stream from the three tenants in the Mulgrave property, he said.

Vantage is not the only player making hay in the suburban markets.

Earlier this week, a record for suburban office buildings was broken in Melbourne after a marathon 52 bids at auction that [resulted in a two-storey building selling on a yield of 3.2 per cent.](#)

The fully-leased, 1302-square-metre office building in Hawthorn had been offered [for sale by Phil Mehrten, the founder of tier-one builder Probuild](#), and his investment partners, with initial expectations above \$9 million.