

# Domain tenancy anchors new tower



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Property portal Domain will become the anchor tenant in a \$50 million office tower under development in Melbourne's inner east that fund manager Bayley Stuart Capital has bought.

The boutique syndicator struck a deal last year to acquire the office project at 600 Church Street in Cremorne, on the city fringe, from its developer Icon on a turn key basis with vacant possession.

Fully developed and leased out, the asset could be worth as much as \$70 million, according to industry sources.

The structure of the turnkey transaction leaves all the leasing risk with its new owner, Bayley Stuart Capital. The Domain deal is across two entire floors of the seven-level, 5266-square metre building and substantially de-risks the investment for its new owner. The Melbourne fund manager is finalising other leases.

The Wood Marsh designed building also comprises 533 sqm of ground-floor retail and three levels of underground parking. It will have a landscaped communal rooftop and state-of-the-art, end-of-trip facilities. It is due for completion in December.

Cremorne is becoming a hub for the creative and technology sectors. Domain will join other top-tier businesses moving to the area such as Seek, Uber, Reece, Tesla, MYOB and Walt Disney.

The City of Yarra forecasts the Cremorne and nearby Richmond area will add 3000 jobs each year for the next 15 years.

"To secure a discerning, property specialist business and great brand like Domain reaffirms our confidence in the building and the area," said Andrew MacGillivray, managing director of Bayley Stuart Capital.

Domain chief financial officer Rob Doyle flagged the appeal of both the new building and the Cremorne area for the company's staff and customers. "We can't wait to move in," he said.

The Bayley Stuart Capital platform typically brings together syndicates of 20 to 40 investors for assets valued \$50 million to \$100 million.

Investors in the new Cremorne syndicate could expect a dividend yield of 5 per cent or more while the internal rate of returns, which includes capital growth, could rise higher.

Icon won approval from the state's planning tribunal last year for the tower, which is being built on the former Nuttlelex site on the corner with Balmain Street and a gateway into the Cremorne area.

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