

Two heritage buildings in the Brisbane CBD sell for \$23.6m *Local buyers snap up CBD heritage investments*

17 February 2016, Brisbane – Following the sale of ‘Tara House’ at 179 Elizabeth Street for \$8.1 million late last year, a further heritage investment in the Brisbane CBD, the ‘Heckelmann’s Building’ at 171 Elizabeth Street, has been snapped up by a private investor for \$15.5 million. The properties were initially marketed together, but sold separately.

Knight Frank’s Senior Director, Institutional Sales, Queensland Justin Bond and Associate Director, Institutional Sales, Queensland Tom O’Driscoll managed the sale of both properties, and said the transactions highlight the appeal of these types of investments in the Brisbane CBD.

The ‘Heckelmann’s Building’ at 171 Elizabeth Street is located in the heart of the Brisbane CBD, opposite the Hilton Hotel. The property benefits from close proximity to Queen Street Mall, the Golden Triangle and the Edward Street high-end retail precinct. Major tenants of the property include Metcash, Holmes College and Mitre 10.

According to Mr Bond, “Our formal marketing campaign for 171 Elizabeth Street resulted in a large number of offers from private investors and developers. The attraction in owning part of Brisbane’s history was a major influence in many of the enquiries received.

“We are finding that the heritage feature of well-located CBD assets is a major drawcard for investors,” said Mr Bond.

“Interestingly, most of the offers received were from interstate investors who have been priced out of the Sydney and Melbourne CBD markets.”

171 Elizabeth Street was constructed as a warehouse in 1884, and through its rich history has been carefully restored and upgraded. This unique property now serves as a charming character retail and office accommodation over four levels. The asset comprises a lower ground level and three upper levels, with a total net lettable area of 2,310 square metres.

According to Mr O’Driscoll, “171 Elizabeth Street is a commanding presence and point of difference on the sought-after CBD street. We received a number of enquiries for the property and attribute this to its heritage properties, in addition to central CBD location.

“Over the past six months we have managed several transactions in Brisbane’s CBD for similar heritage assets. The interest, predominately from the HNWI sector, continues to grow for this type of stock. This interest will strengthen as opportunities similar to 171 and 179 Elizabeth are becoming increasingly limited. ”

Mr Bond and Mr O’Driscoll recently managed the sale of the Brisbane Polo Club’s Naldham House.

Elizabeth Street weaves the city together and forms an integral part of the retail heart of the CBD, with laneways, arcades, boutiques, cafes and restaurants. Extensive council planning and significant future infrastructure spending is proposed in the short to medium term.

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Notes to Editors

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