

R.Corp steams ahead on \$70m depot project

Mark Phillips

Andrew Rettig's R.Corporation is planning a medium-density residential development worth up to \$70 million on a prime infill development site it has snared near trendy Chapel Street in Melbourne.

A mixture of apartments and townhouses will be built on the half-hectare site, which is part of the City of Stonnington's depot and transfer station.

R.Corporation will acquire half the 11,000 square metre depot, which fronts Clara and Palermo streets and Surrey Road. The other half will become a council-owned park.

Despite contamination issues and its proximity to railway lines, the site is believed to have cost R.Corporation more than \$10 million. It is one of the last large undeveloped pockets in South Yarra and is about 50 metres from Chapel Street.

Other interested buyers were thought to have included Australand and Mirvac.

R.Corporation's development director, Michael Edwards, said the company was considering a four to five-level building overlooking the railway lines, with about 70 apartments and up to 30 upmarket townhouses closer to the Palermo Street frontage.

Knight Frank director commercial sales Michael Hede, who brokered the deal, said the campaign generated 160 inquiries from three states.

Industry sources said the property sold for more than \$10 million, but Mr Hede refused to comment on the price.

Settlement will be next year, after Stonnington has relocated the depot and transfer station to Malvern, and contamination issues have been dealt with.

The South Yarra project will be R.Corporation's first significant residential development since completion of the \$240 million Tribeca, on the site of the old Victoria Brewery in East Melbourne. R.Corporation is also shortlisted for the St Kilda Triangle re-development.