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From red light to red hot demand

Little Lonsdale Street was once Melbourne's principal red light district, after immortalised as a seedy backwater in CJ Dennis's *The Songs of a Sentimental Bloke*.

Now developers are lining up to capitalise on the inner-city local, with three high-density apartment projects proposed within one city block. The need for cheap, inner-city accommodation for students of the University of Melbourne and RMIT is transforming the street into an apartment hot spot.

The area between Queen and Elizabeth streets is particularly active, with about 940 apartments on the drawing board.

Riverside Properties, headed by Melbourne developer Clement Lee, has put in an application for 218 apartments on a car park at 399 Little Lonsdale Street.

The site already has an apartment building on its southern side, with all units leased to the University of Melbourne.

The new 39-level building will be a combination of one, two and three-bedroom apartments. Across the road from the site, Malaysian company Goodyear Properties wants to build 227 student-focused apartments at 300 Little Lonsdale Street.

Property consultant Charter Keck Cramer's latest report on the Melbourne apartment market predicted an undersupply in the central city region for the next three years.

Charter Keck Cramer director Robert Papaleo said the popularity of Little Lonsdale Street for developers lay in its proximity to the retail and commercial core.

"It is an area in transition, it is a precinct that has been overlooked as other areas of the central business district were developed, its been forgotten and as a result it has larger lots made up of former industrial buildings which are now highly suitable for residential development," he said.

Brady Property Group, also has faith in Little Lonsdale, with three active projects on the street.

Brady recently ramped up its apartment tower at 280-290 Little Lonsdale Street, straddling both sides of Sutherland Street to now incorporate 494 apartments.

Brady development manager Darren Rogers said the company's past experience on Little Lonsdale Street, via its La Banque and Eastend projects, showed there was considerable demand for apartment product in the precinct. He said the larger of the towers would reach 35 storeys.

"I drive down Little Lonsdale Street every day after workits under utilised, a challenging and exciting place to develop," he said.

He said the street's narrow development sites posed challenges and opportunities when it came to building design.

At 194-196 Little Lonsdale Street the Church of Christ trustees are looking to develop a 10 storey mixed-use building at the rear of their existing church that will consist of apartments, office space and ground floor retail.

At the western extremity of Little Lonsdale Street, a parcel of development land that is part of The Age site is still on the market.

Owners ISPT and Axiom are believe to be seeking \$20 million for the site, which has planning approval for two apartment towers of 51 and 40 storeys.