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Home of Tre Scalini sold for \$2.35 million

Sydney, NSW (3 February 2010)

A private syndicate has paid \$2.35 million to secure a boarding house and restaurant complex in the inner Sydney suburb of Darlinghurst.

CB Richard Ellis agents Daniel O'Brien and Gavin Lloyd negotiated the sale of the 172-174 Liverpool Street property, on behalf of a private investor.

The three-level, 488 square metre commercial building is home to high profile Italian restaurant Tre Scalini. The property also includes 14 boarding rooms, which generate a substantial rental income stream.

Mr O'Brien said a lack of new unit construction in recent years had resulted in a drastic under supply of inner city rental accommodation, which had translated to strong sale prices and rents for Sydney boarding houses.

"The demand for boarding houses in the inner city is very strong, with half a dozen sale contracts issued during the four week sale campaign," Mr O'Brien said.

"These assets are now highly sought after due to the large cash component of the rent collected. Buyers are recognising that the demand for low cost housing close to the CBD is scarce and we expect sales of boarding houses and student accommodation to continue to show significant capital gains in the year ahead."

Sale contracts on 172-174 Liverpool Street were exchanged changed 30 minutes prior to the scheduled auction.

Mr O'Brien said the property's prime inner city location, just one kilometre south east of the Sydney CBD, had helped drive buyer interest in the sale campaign.

The older-style, period building is situated on a corner site fronting both Liverpool and Yurong streets. The ground floor is occupied by the Tre Scalini restaurant on a new 5 + 5 year lease.

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Net rent for year one of the restaurant lease will be \$104,000, with Tre Scalini also committed to pay half the annual outgoings.

The property also includes a licensed boarding home, the units in which are leased on a short term basis. The total net income is circa \$205,200 per annum.

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