

P R E S S R E L E A S E

CB Richard Ellis Pty Ltd
ABN 57 057 373 574

Level 26, 363 George Street
Sydney NSW 2000
DX 10262

T 61 2 9333 3333
F 61 2 9333 3330

www.cbre.com.au

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For further information:
Kathryn House
Communications Manager
61 2 9333 3585
61 402 465 440

Malvern's blue ribbon Stonington Mansion site listed for sale

Melbourne, VIC (15 March 2010)

The owners of Melbourne's iconic Stonington Mansion site are moving to capitalise on the strong demand for inner city residential development opportunities with the sale of the 1.5 hectare land holding in the blue chip Melbourne suburb of Malvern.

CB Richard Ellis and Jones Lang LaSalle will jointly market the residential land parcel via a public Expressions of Interest campaign set to commence in mid March.

Situated at 336 Glenferrie Road, on the corner of Somers Avenue, the site has an associated master plan that permits the development of 31 apartments, 14 luxury houses, 22 townhouses and 12 "townhomes". A significant portion of these have been pre-sold off the plan.

The site is the former Deakin University Toorak Campus, which was sold to Hamton Group in late 2006. Hamton obtained the master plan for the site, which was then on-sold to the Sydney-based Ashington Group in 2008. Stonington is now under the control of Parissen Property Group, who is moving to capitalise on developer and end user demand for blue ribbon sites with existing planning approvals.

CBRE Associate Director, City Sales, Mark Wizel said the EOI was likely to represent one of the most anticipated sale campaigns in Melbourne in 2010.

"The existing pre-sales make this one of the most flexible development opportunities currently on offer within the Melbourne market," Mr Wizel said.

"The rich history of Stonington Mansion and the site's location in one of the most sought after residential precincts in Melbourne will drive outstanding levels of interest."

Jones Lang LaSalle Director Steve Messina said Melbourne's residential development market was generating unprecedented levels of activity.

"The strong level of medium/high density residential sales gives developers comfort, with significant pre-sales underpinning confidence in established locations," Mr Messina said

Mr Messina noted that a range of large residential development sites in prominent city fringe and suburban areas had recently traded, among them 675-679 Victoria Street, Abbotsford; 145-155 City Road, Southbank; and 35 Albert Road, Melbourne.

"All of these sites were purchased by developers who wanted to take advantage of the buoyant market for end residential product," Mr Messina said.

"These sales include a mix of sites – some with permits and some with no approvals in the place - which indicates that market confidence is returning to previous highs."

This increased confidence has been underlined by the recent sale of a series of blue ribbon Melbourne residential properties including the former Ballieu family estate in Toorak which this month sold to property developer Harry Stamoulis. The half-hectare, St Georges Road property is understood to have sold for a price of close to \$25 million, translating to a rate of \$5,000 per square metre.

The St Georges Road sale eclipsed Melbourne's previous house price record, which was set in November last year when Avon Court in Hawthorn sold for almost \$21 million.

Also this month, Western Bulldogs president David Smorgon sold his Toscana mansion in Toorak for more than \$15 million.

The Stonington site is set to attract strong interest from a wide range of buyers and is rumored to have been the target of several on shore and off shore developers over the past four months.

The site offers three street frontages and development could commence immediately following the completion of site clearing works in 2009.

Mr Wizel and Mr Messina added; "We are anticipating strong interest from developers based both locally and abroad. The site's location, development permit and the high level of existing pre sales will underpin buyer interest, with the master plan suiting not just the location but the current demand from end buyers."

In relation to project finance, Mr Wizel said there had been a flight to quality in regard to the types of projects that financiers were willing to support in the current market.

"The location of the Stonington site and existing pre-sales will no doubt warrant strong support from financiers," Mr Wizel said

The EOI campaign is expected to close in late April. For further information, contact Paul O'Connell or Mark Wizel from CB Richard Ellis or Steve Messina/Dominic Gibson from Jones Lang LaSalle.

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