



The Bionics Ear Institute has been headquartered at 384-388 Albert Street since 1990.

Catholic Church pays \$12m for Bionic Ear Institute HQ

Simon Johanson

The Catholic Archdiocese is expanding its property holdings in East Melbourne just as the church faces a wave of compensation claims from victims of sexual abuse.

The Archdiocese of Melbourne has swooped on an office at 384-388 Albert Street owned by the Bionic Ear Institute, paying more than \$12 million for the double-storey heritage-listed building.

The corner property is opposite the Archdiocese's office on Albert Street behind St Patrick's Cathedral and close to the Australian Catholic University on Victoria Parade.

The church's Australian arm has been flooded with claims following the 2013 royal commission and establishment of the National Re-

dress Scheme. Last year its private insurer paid more than \$58 million to victims of sexual abuse.

The Albert Street property fetched a yield of less than 3 per cent and building rate of \$13,672 per square metre, well in excess of expectations, JLL selling agents Josh Rutman and Michael Godfrey said.

Mr Rutman said office vacancy rates for Melbourne's eastern fringe in the last quarter of 2020 were 2.9 per cent. The precinct has the tightest 10-year average vacancy of any locality at 2 per cent, demonstrating long term tenant demand, according to JLL figures.

The deal follows another East Melbourne building at 458 Victoria Parade, owned by Two Vic Pty Ltd, selling for \$5,775,000 to boutique property fund manager Banner Asset Management.

In a sign of market distress, the 1930's apartment building was undergoing a major renovation to 12 of its partially completed units when receivers were appointed prior to sale.

The block sold at an apartment rate of \$437,500 after getting nine separate offers, Mr Godfrey said.

Properties in the area are tightly held. In January last year the Royal Australian and New Zealand College of Obstetricians and Gynaecologists (RANZCOG) sold its headquarters at 254-260 Albert Street for \$22 million to Queensland developer Pask Group.

The Catholic Church has also been offloading property.

It recently appointed Stonebridge to sell four sites across Melbourne's suburbs from Sunbury to Croydon.