

# BusinessDaily Commercial Property

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## An educated punt

Nicole Lindsay

FROM one block of flats on the Punt Rd hill in South Yarra, the Caras family have grown their serviced apartment empire to 14 properties around Melbourne and one on Sydney's north shore.

Serviced apartments are a fast-growing segment of the hotels market and make up about 30 per cent of all available hotel rooms.

Arno and Robin Caras started the Punt Hill group with just 24 flats and now oversee 700 apartments, including more than 170 which opened this year.

Turnover is now \$24 million a year and Punt Hill's target group are business travellers.

"As soon as I hear about a new project in Melbourne I get our sales and marketing people on to it," Ms Caras said. "Some of our best customers work for the big engineering firms who work on long projects."

The Punt Hill group employs about 150 people, with about 30 in the new head office at 7 Yarra St in South Yarra.

They opened three new serviced apartment hotels this year, including their South Yarra project and another in outer suburban Dandenong a month ago.

"We've grown quite quickly this

year," Mr Caras said. "It's really snowballed."

The South African-born couple started Punt Hill in 1987, backed by an offshoot of the wealthy Smorgon family. Mr Caras started working for Jack Smorgon when the Caras family emigrated from South Africa in 1984.

Their eldest child, Nicola, was only two years old. Now a lawyer, Nicola Caras has joined her parents' business in the operations division.

The Caras bought out the Smorgons in 1992 when the wealthy family had bigger investments to deal with than the Caras' plans to expand.

"We get to say we bought out the Smorgons," Mr Caras laughed.

While they owned their properties back at the start, they now also lease apartments from investors.

"It helps keep rentals down when we own some of the apartments," he said. "But we like to develop a relationship with a developer and have the hotels custom-designed with conference rooms and a gym and even a pool."

Mr Caras has worked with developer Michael Yates on the new 72-room hotel built in the former industrial area next to South Yarra Station.

And Deal Corporation built the new hotel on the former Arkana site in central Dandenong where Deal Corp built as part of the outer suburban city's redevelopment program.



**Empire building:** Robin Caras, along with husband Arno, started the Punt Hill group with 24 flats. Picture: MARK SMITH

## Bargain in Collins St

Nicole Lindsay

INVESTOR Trevor Cohen has hoovered up a bargain, paying about \$20 million for a Collins St property.

Mr Cohen, one of the heirs to the Godfreys vacuum cleaner fortune, bought the 446 Collins St office building from listed property company Becton after an off-market tender process.

Becton paid \$26 million for the 11-storey building in 2007. It was part of a portfolio of three buildings the Henkell Brothers sold to Becton.

The latest deal was done by agents Allard & Shelton, who refused to confirm the price or the buyer. However, a caveat lodged on the title indicates a company, H & TSC, half-owned by Mr Cohen, bought the property.

Mr Cohen, who has developed several properties in the CBD, was one of the three heirs of Godfrey Cohen, who founded the Godfreys chain.

In 2006, at the height of private equity enthusiasm for Australian businesses, CCMP Capital Asia and Pacific Equity Partners paid \$330 million for the vacuum-cleaner retailer. Mr Cohen was entitled to \$55 million of the prize.

The Collins St building has 5543sq m of space among three retail and 11 office tenants and returns \$1.5 million a year.

Allard & Shelton director Joe Walton said the six-week private tender process resulted in a "higher than expected" number of offers.