

## Oil group to lease five floors in CBD

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First State Group has defied rising vacancies in the office market to procure an anchor tenant for one of its city projects.

In First State's first major deal for the year, an oil and gas engineering group has agreed to lease five floors of 432 Murray Street.

The leasing deal comes just after Jones Lang LaSalle predicted the March quarter vacancy rate for the Perth CBD would come in at 3.5 per cent, up from 1.3 per cent at the end of December.

The new tenant, which has yet to be named, will take floors three to six and the ground floor, totalling 70 per cent of the building, for a six-year term.

The lease was negotiated by Knight Frank and leaves just over 1300sqm available on levels one and two of the building.

Knight Frank and CB Richard Ellis are joint leasing agents.

First State Group bought the 931sqm site on Murray Street in 2006.

It is also developing 14,500sqm of A-grade office space at 226 Adelaide Terrace due to be completed later this year. First State is also in the process of securing development approval for its Subiaco Pavilion redevelopment project.

BIS Shrapnel last month forecast vacancy levels for Perth's office space to hit 12 per cent by 2011.



432 Murray Street: An oil and gas company has become the anchor tenant.