

28 October 2016

MIRVAC GROUP SECURES 50 PER CENT INTEREST IN A FUTURE RETAIL ASSET IN SYDNEY'S SOUTH

Mirvac Group ("Mirvac") [ASX: MGR] is pleased to announce it has entered into an agreement with PAYCE Consolidated ("PAYCE") to acquire a 50 per cent interest in a future retail asset in Kirrawee, NSW¹.

Located 25 kilometres south of Sydney in the heart of Kirrawee and serviced by nearby public transport and the Princes Highway, the proposed South Village Shopping Centre development of approximately 25,000 square metres² will form part of a mixed-use development site that will also include approximately 750 residential lots.

Construction works have commenced on site, with staged completion expected from late 2018.

Mirvac will provide development leasing services, including tenancy co-ordination and retail design management prior to practical completion, and will retain management rights and leasing services following practical completion.

PAYCE will undertake development of the project with Mirvac to pay an amount based on a 6.0 per cent capitalisation rate of the leased net income on completion.

Commenting on the transaction, Mirvac's Head of Retail, Susan MacDonald, said, "We are extremely pleased to expand our relationship with PAYCE in this fantastic off-market transaction, which follows our successful joint venture at the strong performing East Village in Zetland.

"As well as increasing our retail footprint in Sydney, South Village Shopping Centre in Kirrawee provides us with excellent exposure to an affluent trade area which is currently undersupplied in terms of its retail offering.

"This transaction is in line with our strategy to grow our retail portfolio with assets in strong catchments."

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¹ Subject to conditions precedent.

² Subject to approvals.