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MIRVAC SELLS A 50 PER CENT INTEREST IN 477 COLLINS STREET, MELBOURNE

Mirvac Group (Mirvac) [ASX: MGR] is pleased to announce it has entered into an agreement with Suntec REIT (Suntec) for the sale of a 50 per cent interest in its Olderfleet, 477 Collins Street office development in Melbourne¹.

A summary of the transaction is outlined as follows:

- The total consideration for the 50 per cent interest of the completed development is \$414 million, based on a capitalisation rate of 4.80 per cent;
- Suntec will fund 50 per cent of the development costs via a fund through agreement throughout the construction period;
- Mirvac will provide a five-year rental guarantee on any unlet office space from the date of practical completion; and
- Mirvac will provide development management and ongoing property and investment management services for the asset.

“We are thrilled to have secured another high-quality capital partner to invest with us at 477 Collins Street, following the recent 50 per cent sale of 664 Collins Street. These transactions are a testament to both the strength of our integrated offering and our attractive partnership proposition,” said Mirvac’s CEO & Managing Director, Susan Lloyd-Hurwitz.

“We have a proven track record of delivering high-quality assets, and 477 Collins Street is set to become an exceptional premium grade building in one of Australia’s strongest office markets,” Ms Lloyd-Hurwitz said.

Commenting on the partnership with Mirvac, Suntec’s Chief Executive Officer, Mr Chan Kong Leong, said, “We are delighted to partner with Mirvac, who have demonstrated a strong track record in delivering superior products and services. With their local knowledge and best-in-class practices, we are confident that Olderfleet, 477 Collins Street will be a landmark development that appeals to leading companies.”

Located in the heart of Melbourne’s financial district and rising from the unique 1880s facades of the Olderfleet Buildings, 477 Collins Street will provide over 56,000 square metres of office space over 40 levels on completion, and will become the largest premium grade office building to be delivered in Melbourne in over 25 years.

Designed by Grimshaw Architects, the building offers flexible floorplates of up to 1,950 square metres and incorporates a vertical village concept, with the tower split into three separate pods to express key internal workings of the building and make strong connections with the heritage context.

Along with innovative building technology and a lobby that features a 30-metre-high glass atrium, the office tower will boast best-in-class end-of-trip facilities, a wellness centre, childcare centre and over 400 car spaces, while sitting in close proximity to a range of amenities and services on Collins Street and the nearby Flinders Lane.

¹ Subject to conditions precedent.

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The asset is also significantly de-risked, with professional services firm, Deloitte, committing to over 22,000 square metres of office space for a 12-year term.

A 5 Star Green Star rating and a Platinum WELL certification are being targeted, and practical completion is anticipated for FY20.

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