

16 July 2018

MIRVAC SECURES SUNCORP AS ITS MAJOR TENANT FOR BRISBANE ASSET

Mirvac Group (Mirvac) [ASX: MGR] is pleased to announce it has secured one of Australia's leading financial services groups, Suncorp, as the major tenant for its proposed office development at 80 Ann Street in Brisbane, QLD. Mirvac is also pleased to announce that under the terms of the transaction, the Asia Pacific core fund of M&G Real Estate, one of the world's leading financial solutions providers for real estate investors, will be a 50 per cent joint venture partner in the project.

Suncorp has pre-committed to over 39,600 square metres of office and retail space, representing approximately 66 per cent of the building's total net lettable area, for a 10-year term.

Mirvac's CEO & Managing Director, Susan Lloyd-Hurwitz, said, "We are delighted to have secured Suncorp for our proposed development at 80 Ann Street, demonstrating our ability to collaborate with our customers and respond to their needs.

"Working closely with Suncorp over a number of months, as well as our architects on this project, Woods Bagot, we have been able to provide Suncorp with a superior, bespoke workplace solution that meets all of their strategic objectives, and allows for flexibility into the future."

Located on a landmark site in the north of Brisbane's CBD, 80 Ann Street is set to be a Premium grade asset at the forefront of technology, sustainability and place-making.

Offering a contemporary podium and the largest tower floorplates in the Brisbane CBD, the 31-level building will capitalise on Brisbane's subtropical climate, with breathable floors that can be opened to the outside and excellent access to natural light. The expansive ground plane will be activated with extensive retail amenity (including the heritage-listed Turbot Street Fruit Market building), and provide connectivity between Ann Street and Turbot Street.

A building designed for the future, the proposed asset will also incorporate built-in technology that allows for further upgrades to base building systems, as well as office floorplates that can be easily subdivided. The building's services and amenities have been designed to cater for flexible occupant densities across all office levels.

"This premium office development reinforces our unique asset creation capability, and further adds to our young and modern \$2.3 billion office and industrial development pipeline, supporting secure, high-quality future income for the Group," added Ms Lloyd-Hurwitz.

As the world's most sustainable real estate company¹, Mirvac is committed to providing sustainability excellence to its customers and the wider community. The proposed development has been designed to achieve the Group's minimum sustainability ratings targets, including 6 Star Green Star, 5 Star NABERS Energy, 4 Star NABERS Water, and Gold Shell and Core WELL ratings.

1. Mirvac was named the world's most sustainable real estate company in September 2017 by the Dow Jones Sustainability Index.

Suncorp's CEO and Managing Director, Michael Cameron, said, "The new workplace will reflect Suncorp's Queensland heritage, with a design that is focused on our people and their experience, as well as engaging our customers and the community. It will provide the flexibility we require for our future workforce and is an opportunity to bring our teams in Brisbane together into one location, creating efficiencies as we have done in Sydney, Auckland and Melbourne."

Practical completion of 80 Ann Street is expected to occur in FY22.

As part of its mandate to attract strategically aligned capital partners, Mirvac has entered into an agreement with the M&G Asia Property Fund for the sale of a 50 per cent interest in 80 Ann Street.

Details of the transaction are as follows:

- the total consideration for the 50 per cent interest of the completed development is \$418 million, based on a capitalisation rate of 5.00 per cent;
- M&G will fund 50 per cent of the development costs via a fund through agreement throughout the construction period;
- Mirvac will pay M&G a coupon rate of 5.25 per cent throughout the construction period; and
- Mirvac will provide development and property management services for the asset.

Mirvac has also exercised a put-and-call option with Wee Hur to acquire 80 Ann Street, which comprises a site area of approximately 5,500 square metres, for a total consideration of \$79 million. Settlement is expected to occur in the first quarter of FY19¹.

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1. Subject to FIRB approval.