

Mirvac buys build-to-rent site for \$200m

Dec 24, 2019 – 4.55pm ASX-listed Mirvac will continue its revolution of the apartment sector with plans to put up a build-to-rent apartment tower at the former Melbourne Convention Centre site in Spencer Street which it snapped up for \$200 million on Christmas Eve.

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The diversified company acquired the site at 7-23 Spencer Street in the Melbourne CBD on Tuesday, continuing its roll in land acquisitions since its major capital raising in May.

Earlier in December, *The Australian Financial Review* revealed the group had taken control of a one hectare site in Brunswick in December with build-to-rent the preferred option.



Existing artist's impression of the project at 7-23 Spencer Street, Melbourne.

The acquisition would be paid in instalments to the vendor, developer Century Group Aus, formed by Chinese-backed China Century Group and Exhibition and Travel Group.

It is understood Century Group Australia has only sold the office and apartment tower component of the site to Mirvac.

There was also a St Regis hotel property - Australia's first - slated for the site but that was not included in the sale to Mirvac.

Mirvac was planning on turning its acquisition into a mixed-use urban developing comprising a 40,000sq m office tower and a 430-unit build-to-rent or multifamily rental apartment tower with high quality amenities. The multifamily or build-to-rent apartment sector has picked up pace as housing affordability has worsened. Mirvac has led the way in the sector with three existing build-to-rent projects in Sydney and Melbourne. For the office tower at the newly acquired site - named Flinders West - Mirvac said it would build large floorplates of more than 2000 square metres.



Existing artist's impression of the project at 7-23 Spencer Street, Melbourne.

"Flinders West is earmarked to be one of Melbourne's most transformative precincts over the next three to five years," Mirvac chief executive Susan Lloyd-Hurwitz said.

"This site provides us with an opportunity to add to our high-quality Melbourne office portfolio and grow our burgeoning build-to-rent portfolio in a location supported by strong transport links, ongoing infrastructure investment and favourable demographics."