

Mirvac pivot prompts build-to-rent boom

May 16, 2020 — Diversified developer Mirvac is bolstering its Melbourne office and build-to-rent pipeline, submitting fresh plans for two large towers on a key city-grid corner site.

Diversified developer Mirvac is bolstering its Melbourne office and build-to-rent pipeline, submitting fresh plans for two large towers on a key city-grid corner site.

The \$8 billion ASX-listed property trust will add another substantial 472 unit build-to-rent apartment block to its development portfolio if state planners approve changes to a master plan on the corner of Spencer and Flinders streets, a site it purchased on Christmas Eve last year for \$200 million.



Mirvac is bolstering its Melbourne office and build-to-rent pipeline.

Rising 33 levels on the former Melbourne Convention Centre site, the build-to-rent tower will be the third similar project Mirvac, led by

managing director Susan Lloyd-Hurwitz, is actively pushing ahead in Melbourne.

Mirvac's pivot to build-to-rent - a housing model in which the building is held under one owner and leased long-term to tenants - was pioneered by its LIV Indigo project at Sydney Olympic Park, Australia's first large scale build-to-rent development, which has 315 rental dwellings due to be completed in mid-2020.

Its new Melbourne project will be accompanied by a smaller 20-storey tower with 45,500 square metres of office space.

Both buildings will have about 1800 sq m of retail outlets in a new arcade link and public plaza along Siddeley Street, according to architects Fender Katsalidis, who designed the complex.

At the moment the site is landscaped as a temporary park.

The developer's pre-Christmas purchase of 7-23 Spencer Street from a Chinese-backed joint venture between China Century Group and Exhibition and Travel Group gave it control of a key civic intersection tucked behind the 402-room Crowne Plaza hotel next to the Yarra River. The site's former owners had planning approval for three residential towers, one of which was to be used as a hotel. Mirvac has consolidated two of the towers and ditched the hotel component.

"This proposal retains the integrity of the past approval but reconsiders the land use mix to suit today's market demand," the group's submission states.

The project's large office component will join a growing list of new projects launching in Melbourne as developers eye the post-COVID landscape for new tenant and office opportunities.

Across the river in Southbank, Malaysian-listed developer OSK Property is in talks with anchor tenants to fill its new \$400 million office tower, part of a \$2.8 billion residential and retail complex under way in Kavanagh Street.

Designed by Cox Architecture, the premium A-grade 29-floor tower will feature 37,814 sq m of gross leasable space with floor plates between 500 and 1907 sq m.

Private terraces will offer 678 sq m of outdoor space in a 5-Star Green Star building with a WELL Gold Standard. Two floors in the podium are devoted to end-of-trip facilities including bike storage, lockers and showers.

OSK's major Southbank project is being built around a central 3745 sq m park and includes a 601-room 5-star Hilton convention hotel, on-site childcare, wellness centre and a full-line Woolworths supermarket.

To the north of Mirvac's site, developer V-Leader is proposing a 24,836 sq m office and 288 room hotel at 600 Lonsdale Street.

Planning Minister Richard Wynne recently approved four major developments: Beulah's tower at 118 City Road in Southbank, Charter Hall's office at 555 Collins Street, Dexus' development at 52-60 Collins Street and Pace's apartments at 550 Epsom Road in Flemington.