

St Regis Shelved as Mirvac Grows Build-to-Rent Portfolio



As Australia looks to construction to help rebuild the economy post-Covid-19, developer Mirvac continues to grow its Melbourne office and build-to-rent pipeline, revising plans for a \$1 billion complex on the site of the former Melbourne Convention Centre.

The ASX-listed developer acquired 7-23 Spencer Street, Docklands, for \$200 million in late 2019, with approval previously granted for three residential apartment towers, and Marriott-owned St Regis named as a hotel operator for one of them.

Now, Mirvac is seeking approval for a revised precinct masterplan on the site located at the corner of Spencer and Flinders street.

Gone is the proposed five-star St Regis hotel, with only two Fender Katsalidis-designed towers now under consideration:

a 20-storey, A-grade office tower next to the Crowne Plaza hotel and a 33-storey, 472-key build-to-rent apartment block, backing onto Flinders Street.

Both buildings will have about 1800sq m of retail outlets in a new arcade link and public plaza along Siddeley Street.

The build-to-rent tower will be Mirvac's third such Melbourne development, with projects at Queen Victoria Markets and Brunswick also under way, and its LIV Indigo project at Sydney Olympic Park—touted as Australia's first large-scale foray into the field—also due for completion in coming months.

Mirvac chief investment officer Brett Draffen said the proposed scheme and the inclusion of the build to rent tower were driven by the diversified developer's commitment to create a precinct that best addresses the needs of its customers as well as deliver the greatest public benefit to the Melbourne community.

With commencement currently slated for mid-to late-2021, Daffen said the project could commence sooner, and had been lodged for [fast-tracking](#) via the Building Victoria's Recovery Taskforce.

Commenting on the increasingly positive prospects for the emerging institutional asset class of build to rent in helping pave the way for the nation's recovery post-pandemic, Mirvac general manager Adam Hirst last week told *The Urban Developer* the model was well placed to “supercharge” residential construction due to the absence of pre-sales to kickstart projects—making them truly “shovel-ready”.

“While the fundamentals driving demand for build to rent in Australia have not changed, the uncertainty and financial instability caused by Covid-19 are likely to make build-to-rent an increasingly attractive option,” Hirst said.

Source: Urban Developer June 2020