

# FINANCIAL REVIEW

Wednesday 17<sup>th</sup> February 2016

## Mirvac puts Como Centre on the block

Nick Lenaghan

Diversified property group Mirvac plans to sell the landmark Como Centre – a \$200 million hotel and office complex – in Melbourne's South Yarra as the market nears its peak.

It marks a return to the market for the trophy asset. Mirvac tested interest in the centre in late 2008, and again in 2012.

This time, Mirvac chief executive Susan Lloyd-Hurwitz has taken a firm view on the market.

She told investors last week that commercial property was near the end of the cap rate compression cycle.

Mirvac has flagged its plan to divest up to \$600 million worth of offices and shopping centres this year.

It has sold the Woolworths headquarters in Sydney's north-west for \$336 million on a yield of 6.07 per cent to South Korean-based property investment and advisory firm Inmark Asset Management.

In Melbourne, the Como sale is being handled by Colliers International's Nick Rathgeber and Leigh Melbourne and McVay Real Estate's Sam McVay and Dan McVay.

The Como Centre sits on two hectares with a street frontage of more than 300 metres along Chapel Street, Toorak Road and River Street.

The property generates more than \$14 million of net income from 25,000 square metres of office space, 6600 square metres of retail space, a 113-room hotel run by Accor, and a 614-bay car park.

The office space is spread across four towers, accounting for more than 60 per cent of the net income. Tenants include television broadcaster Network 10.

"We expect the scale of the real estate, the diversity of the income stream and the iconic nature of the asset will be of great appeal," Mr Rathgeber said.

Mirvac has development approval to expand the retail space. Extensive upgrades and plant replacement in the Como office areas are under way.