

Mirvac puts Quay West car park on the block as Sydney CBD demand rises

By **BEN WILMOT**, COMMERCIAL PROPERTY EDITOR
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Property developer Mirvac is capitalising on the switch to driving to central business districts with the offer of a major Sydney car park that could sell in the mid-\$40m range.

The company is selling the Quay West Car Park in The Rocks district, which is run by Wilson Parking.

The asset in Harrington Street has never been traded before and is expected to attract a premium, partly as strict City of Sydney planning rules for new spots collide with growing demand from commercial and residential users.

The car park is likely to come into even greater demand as a series of new residential towers are completed in the city.

Located under Quay West Suites in The Rocks area of Sydney, the eight-level commercial car park is close to the financial district of the Sydney CBD and several five-star hotels.

Two retail outlets are also incorporated at street level.

The property is being marketed by Sam McVay of McVay Real Estate and includes 598 car spaces with limited competition from rival facilities.

It is the largest and closest car park to Circular Quay and the Rocks, where new residential projects including The Sirius Building and One Circular Quay are getting under way.

Wilson Parking, one of the world's largest car park operators, is likely to renew its lease, which expires in mid-2024, as the area is also being supported by exceptional surrounding office growth. More than 230,000sq m of commercial gross lettable area is under construction within 500m and the planning controls have reduced car park supply in the northern portion of the Sydney CBD.

The car park spins off a fully leased income of \$2.43m and has low capital expenditure, no tenant incentives and minimal management requirements.

Mirvac last week reaffirmed its guidance after coming through lockdowns that hit its retail portfolio, saying that it will soon launch major residential projects.

Mirvac contracted 902 lots for sale with a record 810 of these in its estates, and has about \$1.3bn of pre-sales in the bank.

This will surge as the company launches new projects headlined by a redevelopment of the former Channel 9 site in the Sydney suburb of Willoughby.

Mirvac chief executive Susan Lloyd-Hurwitz said the first quarter of fiscal 2022 was challenging. "As we expected, government-mandated lockdowns in Sydney and Melbourne have slowed our recovery, with cash collection rates ... down 10 per cent during the quarter, impacted by retail," she said.

But the developer's momentum continues. "We maintained strong sales across our residential business, continued to progress our diversified commercial and mixed-use development pipeline, and further expanded our funds under management," Ms Lloyd-Hurwitz said.

BEN WILMOT, COMMERCIAL PROPERTY EDITOR

Ben Wilmot has been The Australian's commercial property editor since 2013. He was previously a property journalist with the Australian Financial Review.



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