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# Mirvac set to build apartments on Nine Sydney site

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By **BEN WILMOT**, COMMERCIAL PROPERTY REPORTER

AN HOUR AGO FEBRUARY 7, 2020 •  NO COMMENTS

Property developer Mirvac has inked a deal to acquire the Nine Network head office site in Sydney, once dubbed the “home of television”, for about \$249m, in a sign the developer believes the residential cycle will swing upward.

The listed developer will seek to develop a \$1bn project on the Willoughby site the TV station sold to a Chinese-backed funds manager and a Hong Kong firm five years ago for \$147m.

Mirvac will also buy the TX Australia transmission tower as part of the deal and then demolish it.

The main Willoughby site sold for \$227m, with the remainder paid for the TV tower, showing the rise in property sites despite the residential downturn.

Some Chinese-backed groups are also selling their projects as the offshore pre-sale market is weak and they are worried about the impact of the coronavirus.

Local players like Mirvac are punting they will be able to sell up-market apartments to mainly local buyers.

The Asian owners of the property came close to pulling it from sale last year after a process which drew about 12 bidders, including Harry Triguboff's Meriton, Iwan Sunito's Crown, Singapore's Frasers Property Group, China's Country Garden and Mirvac, which eventually prevailed.

The two owners, Hong Kong-based Euro Properties and local restaurateur-cum-fund manager Michael Jiang's Lotus Capital Asset Management, tapped Colliers International to sell the site.

Nine is set to move to a new tower being developed by the Winten Property Group in North Sydney by 2020, opening the way for Mirvac to likely sell to the area's wealthy market of downsizers.

The site is considered one of Sydney's most desirable as it carries approval for 460 homes. Despite residents' protests about the project's height, Mirvac has pledged a high quality development.

Lotus and Euro Properties had pitched the overall project, which includes office and retail space and parklands, as having an end value topping \$1 billion.

Their LEPC9 Pty Ltd structure had a scheme designed by architects CHROFI including nine buildings, a series of public piazzas and open green space.

The partnership had submitted a modification to the original masterplan commissioned by Nine in 2010.

Before the deal, analysts marked down Mirvac on the back of fears about a softer than expected residential recovery.

Despite Mirvac confirming a recovery had commenced "sooner than expected" at its first half result on Thursday, the company guided to active earnings over the fiscal 2019-21 period of \$1bn.

UBS said this implied no residential earnings recovery in fiscal 2021 and cut its operating earnings per security forecast for that year by 4 per cent.

A Mirvac project launch is expected later this year at Sydney's Green Square, and UBS said even if this delivered strong sales momentum, lead times to launch more apartment projects and start construction would only see earnings benefit from fiscal 2022.

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