



Suncorp moves to Docklands

Mark Phillips

Suncorp will anchor a new 21-level office tower to complete the final piece of the Melbourne Docklands stadium jigsaw.

VicUrban yesterday confirmed that the Bourke Junction consortium of the Industry Superannuation Property Trust, Cbus Property and EPC Partners had been awarded the rights to develop the \$700 million South-East Stadium Precinct (SESP).

They are planning a five-building mixed-use project of more than 150,000 square metres, with Suncorp to occupy half of the largest office building on the site at an estimated rent of about \$400 a square metre.

The winning consortium is understood to have agreed to a price of more than \$50 million for the site, which is highly prized because of its position as the Bourke Street gateway to Docklands.

The awarding of SESP, a 1.6-hectare triangular wedge on the corner of Bourke Street and Wurundjeri Way, completes the carve-up of the land around Telstra Dome.

It follows the North-East Stadium Precinct, which was awarded to a joint venture of Pan Urban and the

Halim Group, last month.

Other completed projects around the stadium include Devine's Victoria Point apartment tower, and the Victorian headquarters of Channel Seven.

The development of SESP will kick off this year with the construction of two office towers scheduled for completion in 2011 and 2012.

Suncorp, Australia's seventh-largest bank and second-biggest general insurance business, will have signage rights and occupy about half of the southern office tower, which will have a net lettable area of about 35,000 sq m over 21 levels.

Suncorp will move about 1000 staff into the building from three sites. They will move into the ISPT-owned 447 Collins Street during the construction period.

Suncorp's general manager of real estate, Peter Affleck, said the Docklands location, with direct access to the Southern Cross railway station, had been a key factor in the decision to commit to the building.

Suncorp will join National Australia Bank, Australia and New Zealand Banking Group, Axa Asia Pacific and Bendigo Bank among other financial services companies located in Docklands.

No tenant has yet been signed up

for the north tower, which will have 45,000 sq m of office space and 1140 sq m of retail over 29 levels, but ISPT chief executive Daryl Browning said negotiations were close to being finalised with tenants who would take about 85 per cent of the building's space.

It has been hotly tipped that Members Equity Bank will be the cornerstone tenant of that building.

Mr Browning said he was confident the buildings would be close to fully leased by completion.

"We think the office market will still be strong for the next 12 to 24 months," Mr Browning said.

"There's challenges in the market but clearly tenants are showing a preference to update to modern buildings with good sustainable features, and we think if we can produce an economically viable and environmentally viable product it will be attractive."

Both office buildings have been designed for a five-star Green Star rating.

The consortium will also develop a 250-room hotel, to be a four-star operation; a low-level restaurant and bar complex; and a five-level mixed-use building including retail and a medical centre.

KEY POINTS

- The winning group is believed to have paid \$50m for the site.
- Suncorp will occupy about half of the southern office tower.



Australian Financial Review
08/04/2008
Page: 57
Property
Region: National Circulation: 88264
Type: National
Size: 315.19 sq.cms
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Completed projects around the stadium include the Victoria Point tower and the Victorian headquarters of Channel Seven