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Dexus drops \$2.1b on Brisbane River

Nick Lenaghan

Dexus, the country's biggest office landlord, is forging into the post-pandemic office market, lodging plans for a \$2.1 billion twin-tower project on the Brisbane riverfront.

The transformation of the Eagle Street Pier and Waterfront Place has waited as Dexus honed plans for two towers of 49 and 43 floors along with riverfront dining, retail outlets and public plazas.

The towers will bring 120,000 square metres of office space. Another key feature will be the widened and upgraded Riverwalk for pedestrians and cyclists.

"The project's scale and central riverfront location will firmly establish Waterfront Brisbane as a world-class destination and is set to reshape the daily experience of the many people who visit and work there," said chief investment officer Ross Du Vernet.

The development will occupy a prime position in Dexus' \$11.2 billion development pipeline, which includes major projects such as the \$2.5 billion Central Place Sydney, where it is partnering with Frasers, and a \$550 million project on Collins Street in Melbourne.

The Queensland government is doing its bit to smooth the way for Dexus' ambitious scheme for extra public open space at the Eagle Street site by converting part of the existing long-term leases there.

Minister for State Development Kate

Jones said Waterfront Brisbane would breathe new life into an ageing section of the city's much-loved riverside.

"As our economy begins the process of recovery from the COVID-19 pandemic, it is so important to keep the momentum going with major projects that will deliver jobs for Queenslanders," she said.

"Lodgement of the development applications for Waterfront Brisbane is a significant step for the project and a vote of confidence in the Queensland economy."

The next step in the Waterfront project adds momentum to Dexus' exposure in Brisbane, a market that had been winning significant investment interest over the past year – before the coronavirus pandemic slowdown – as investors and developers sought better yields north of the Sydney and Melbourne markets.

Last September, Dexus took control of a property ripe for development with approval for a 274-metre skyscraper in Brisbane's Golden Triangle.

With the off-market acquisition of the retail building at 171 Edward Street, Dexus quietly opened talks with its Catholic Church neighbour with a view to engaging in a larger joint venture.

Institutional investors have been beating a path into the Brisbane market – commercial property transactions hit a record high last year – while major developers including Mirvac, Charter Hall and Investa are also busy there.