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Race to house public servants in Parramatta

EXCLUSIVE

BEN WILMOT

The race to house more than 4000 state public servants in Sydney's west is coming to a head with three projects in Parramatta heading a field that has pitted tycoon Lang Walker against two listed developers.

The Berejiklian government last September unveiled plans to lease up to 45,000sq m of A-grade office space in the western Sydney hub in 2022, sparking a fierce competition between developers.

The process, run by Property NSW, drew a hefty field of bidders but the race is now down to Mr Walker, listed office player Dexus and the Australian Unity operation, sources said.

Rival groups Mirvac, Charter Hall and GPT, which have projects in the area, are not in the running. Retail giant Scentre is also not active on the tender as it works on a scheme for a tower above its centre in the area.

Dexus revealed at its results last week it had been short-listed for the massive project and it would fit neatly into a planned 33-

storey office tower that was approved last year.

That project at 140 George Street will be an A-grade office building spanning 45,700sq m, and the government could fill it.

Mr Walker is also well positioned, with the last elements of his \$3.2 billion Parramatta Square precinct winning approval last month. The Sydney Central City Planning Panel approved two 50-storey combined buildings, known as towers 6 and 8, that could house 12,500 workers.

Mr Walker's other buildings there, towers 3 and 4, are under way and will accommodate the National Australia Bank and NSW government departments.

Meanwhile the Australian Unity Office Fund's development at 2 Valentine Avenue Parramatta is also in the mix.

The City of Parramatta Council endorsed a proposal from the group that would see it develop an office building of 25,000-28,000sq m. Sources said it was working with a builder but Australian Unity declined to comment on the identity of tenants it was seeking.

The government went to market seeking expressions of interest

for space in a single building that could accommodate more than 4000 workers under an initial 10-year lease term with a further two five-year options.

Property NSW chief executive Brett Newman said when the tender was launched that a successful lease search could see the government's office footprint in Parramatta match the Sydney CBD by 2022. "The government is on track to occupy around 250,000sq m of office space in Parramatta by 2022, representing more than 30 per cent of Parramatta's office market," he said.

The NSW government's existing office commitments in Parramatta include 25,000sq m of leased office space at 105 Phillip Street, Parramatta, occupied by the Department of Education, and 65,000sq m of office space at 4 Parramatta Square, to be occupied by the departments of Planning & Environment, Industry, and Finance, Services and Innovation, commencing in late 2019.

The government's current office footprint in Parramatta is about 147,000sq m. Mr Newman said the shift west reduces the government's exposure to rising Sydney CBD office rents.