

# Pro-invest gets green light for \$1b North Sydney office tower

**Larry Schlesinger** *Reporter*



Sep 6, 2022 - 12.00am

Fund manager and developer Pro-invest Group, best known for its Holiday Inn Express hotel projects, has secured approval for its first commercial tower in Australia, a \$1 billion skyscraper due to be completed in North Sydney by 2026.

The 45-level hybrid timber and concrete tower to be built at 100-102 Walker Street will offer 38,000 square metres of lettable space and is timed for completion after the nearby Victoria Cross metro station opens in 2024.

It is part of an \$11 billion pipeline of mainly office and mixed-use projects in North Sydney [<https://www.afr.com/property/commercial/north-sydney-s-11-billion-big-build-20211018-p5911s>] being undertaken by the likes of ASX-listed Dexu and private developers Winten and Billbergia that is targeting the revival of the struggling commercial precinct, which has a vacancy rate of almost 17 per cent, according to commercial property group Cadigal.



The 45-level tower is expected to have an end value of more than \$1 billion.

The granting of a development application by North Sydney Council at the 100-102 Walker Street site follows Pro-invest paying \$166.5 million for the B-grade office building in January 2020. This will be demolished to make way for the new tower.

Pro-invest chairman Ron Barrott said the group would use its hospitality experience and extensive research undertaken on the impacts of the pandemic on office use in the design and function of the building.

Plans include providing flexible floorplates that allow tenants to increase their office space for busier days of the week, bookable shared space, a basement speakeasy bar and club-style recreational facilities,

“We’re following the research to create a building that will be truly flexible and attractive to progressive companies in the market for unique office space,” Mr Barrott told *The Australian Financial Review*.

## Rental premium for flexible space

In exchange for the ability to flex into and out of office space, Pro-invest expects to attract a rental premium.

“We know of a tenant that currently occupies 12,000 to 15,000 sq m, who is looking to occupy only 8000 to 9000 sq m. But they also want the capacity to host everyone in the office on Thursdays and Fridays,” Mr Barrott said.

He said Pro-invest would undertake the project with the backing of big global investors.

In the past, Pro-invest has secured institutional capital from mainly Middle Eastern and European-based investors for its hospitality funds.

“We’re in the market talking to various tenants. When we get to a percentage pre-let we will [proceed to construction],” he said.



The ground floor will include shops and food outlets.

Other commercial projects were being pursued by Pro-invest as part of the diversification of its business in Australia, he added.

Pro-invest, which has been a pioneer of sustainable hotel development in Australia, raising funds from the likes of the federal government's [Clean Energy Finance Corporation](https://www.afr.com/link/follow-20180101-p5699f), will target five-star NABERS and Green Star ratings for the North Sydney office tower.

Like the much-hyped \$1.4 billion Atlassian tower to be built near Sydney's Central Station, Pro-invest's tower will be a [hybrid timber, carbon-neutral building](https://www.afr.com/link/follow-20180101-p5bdwc).

[\[https://www.afr.com/link/follow-20180101-p5bdwc\]](https://www.afr.com/link/follow-20180101-p5bdwc)

With Microsoft, Nine Entertainment, Aurecon, Luxottica, Datacom and SAP among the companies to have relocated to North Sydney, Pro-invest Asia Pacific managing director of development, Tim Sherlock, said he expected more tenants of this calibre to move there in coming years.

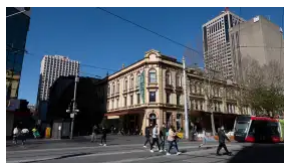
“North Sydney is undergoing a renaissance and our plans for Walker Street will align with the upturn in office demand expected after 2024,” he said.



#### RELATED

##### [Scott Farquhar's gamble on the \\$1.4b office for a remote workforce](https://www.afr.com/life-and-luxury/design/scott-farquhar-s-gamble-on-the-1-4b-office-for-a-remote-workforce-20220512-p5akr7)

<https://www.afr.com/life-and-luxury/design/scott-farquhar-s-gamble-on-the-1-4b-office-for-a-remote-workforce-20220512-p5akr7>



#### RELATED

##### [Office vacancy rises as supply overshoots demand](https://www.afr.com/property/commercial/office-vacancy-rises-as-supply-overshoots-demand-20220802-p5b6pa)

<https://www.afr.com/property/commercial/office-vacancy-rises-as-supply-overshoots-demand-20220802-p5b6pa>

---

**Larry Schlesinger** writes on real estate, specialising in commercial and residential property. Larry is based in our Melbourne newsroom. *Connect with Larry on [Twitter](#). Email Larry at [larry.schlesinger@af.com](mailto:larry.schlesinger@af.com)*