

TIME & PLACE

MEDIA RELEASE
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TIME & PLACE PARTNERS WITH MAXCAP TO LAUNCH THE MAXCAP INDUSTRIAL OPPORTUNITY FUND

Expanding on its strong industrial capabilities in response to the unprecedented demand for medium-sized industrial lots, developer Time & Place has partnered with investment manager MaxCap Group to establish the MaxCap Industrial Opportunity Fund.

Capitalising on a structural dislocation in the supply and demand fundamentals of the industrial land markets in Australia, the Fund will acquire industrial-zoned land parcels across Melbourne, Sydney and Brisbane. These sites will be developed into a variety of smaller lot sizes, typically between 1,000sqm to 5,000sqm, to provide land supply into a constrained market that services small and medium sized businesses with needs across warehousing, logistics, manufacturing and other industrial uses.

The Fund has secured more than 75% of its initial \$100million target equity commitments from a range of private and institutional investors, with the intention of reaching a cap of \$150million early in 2020. The Fund is a four-year closed-ended vehicle targeting a strong net return to investors of greater than 15%.

The partnership solidifies Time & Place's strength in the industrial market as it moves into an aggressive acquisition phase and confirmed settlement of two sites since the Fund's launch: a 9.78-hectare site in Epping in Melbourne's north and a 16.7-hectare site in the western Melbourne suburb of Truganina. Time & Place is in exclusive due diligence to secure another well-located land parcel in a core industrial precinct and is investigating a number of off-market opportunities.

Chris O'Keefe, director at Time & Place, said a combination of ongoing population growth and the explosion of online retail made the immediate demand for small to medium industrial lots obvious.

"The land-banking behaviour of domestic and offshore real estate investment trusts in key industrial growth areas is reducing the available supply of small industrial lots. This is resulting in a significant level of unmet demand," he said.

"Online retail penetration continues to grow rapidly in Australia, feeding additional demand for industrial property from warehousing and logistics companies, amplifying the effects of population growth.

"We believe the Maxcap Industrial Opportunity Fund holds significant value to investors due to the land-lot development model which limits exposure to construction risk, delivers high development margins and capitalises on the current state of the market whereby industrial property is one of the strongest performing sectors," Mr O'Keefe added.

Time & Place has partnered with MaxCap after participating in several successful projects together, including two industrial land subdivisions that provided a 'proof of concept' prior to the launch of the Fund. MaxCap is a leading Australian Commercial Real Estate (CRE) investment manager with a strong track record in structuring and managing discretionary unlisted funds.

Time & Place Property Pty Ltd

TIME & PLACE

In the past 12 years MaxCap has managed more than \$8billion in CRE investments and has an outstanding track record, with full capital and returns delivered on all investments.

“MaxCap is undoubtedly one of the most significant non-bank CRE players in the Australian market and has provided funding on some of Australia’s most recognisable projects.

“Understanding MaxCap’s capabilities and its recent diversification into direct investment, the partnership between Time & Place, providing acquisition and delivery expertise, and MaxCap, experts in capital raising and investment management, felt like a natural fit and provides investors with a compelling offering in a competitive capital market,” Mr O’Keefe added.

“The launch of the MaxCap Industrial Opportunity Fund is a significant milestone for our direct investment business. We are very confident about the investment thesis of this strategically innovative product and this has been backed up by the demand we have received from investors who have already committed to the Fund. Providing a diverse range of investment opportunities is a focus for our group and this partnership with Time & Place adds another unique product to our suite of investments,” said Brae Sokolski, Chief Investment Officer at MaxCap.

The announcement comes just weeks after MaxCap announced its expansion into direct investment, with a target to deliver up to 10 percent of its loan book in equity funding in the next three years.

The fund has already secured two seed deals in Metropolitan Melbourne:

COOPER: a 9.78ha site in Epping, in Melbourne’s North

Cooper is the first site secured through the Fund. The land was settled in June 2019 and construction is due to commence in early 2020.

Leakes: a 16.7ha site in Truganina, in Melbourne’s West

The second site was settled in August 2019. It is located within the Wyndham City council and planning approval is expected imminently. The development will comprise a mixture of lots targeting light industrial and warehouse use. Stage One that comprises 20 lots is currently for sale through JLL .

Time & Place and MaxCap will continue to explore opportunities across Melbourne, Sydney and Brisbane, using the equity fund to support the ongoing acquisition and subdivision strategy.

The Fund at a glance

- Target size: \$100 million with a hard cap of \$150 million
- Fund strategy: acquisition, subdivision and development of industrial lands
- Geography: Primarily in Melbourne, Sydney and Brisbane
- Target number of investments c. 10 investments
- Structure: closed-ended
- Fund term: 4 years fixed term + 1 year option to extend
- Investment Period: 2 years from the first closing date
- Fund target return: 15%+ net IRR (net of all fees and expenses)

-ENDS-

About Time & Place:

TIME & PLACE

Time & Place is a multi-disciplined property developer known for creating projects of significance across residential, commercial, hotel, industrial and mixed-use precincts. Their team of highly respected industry experts proudly embody the passion, focus, and professional aptitude required to create property of enduring value and legacy.

For more information please visit timeplace.com.au/

About MaxCap Group

MaxCap Group is one of Australia's leading CRE debt investment managers and is an established investment manager for domestic and global institutions with current Funds Under Management and Advice of circa A\$3.5bn, having invested more than \$8bn across 300 loans since inception in 2007. For more information on MaxCap Group please visit maxcapgroup.com.au

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