

Media Release

MAXCAP PROVIDES NZD\$30M CONSTRUCTION FUNDING FACILITY TO SAFARI GROUP

Media Release, Auckland, 25 August 2020 - MaxCap Group, one of Australasia's largest non-bank commercial real estate lenders and investment managers, announced today that it will provide NZD\$30m of first mortgage funding to development and construction company Safari Group for a hotel and apartment building in Wellington.

The development finance will be used to deliver a mixed-use project known as 'Ramada Wellington' located on the corner of Vivian and Taranaki St, in Wellington's CBD. It will comprise 72 hotel units with associated hotel facilities, 30 residential apartments, 14 visitor accommodation units, ground floor commercial and 29 car spaces.

MaxCap set up operations in New Zealand last year in a joint venture with Bayleys and investment advisory firm Forsyth Barr. The 'Ramada Wellington' is the first New Zealand project to be financed via MaxCap's First Mortgage Construction Fund, an Australian-based investment fund established in 2018 to finance development projects.

Safari Group director Rob Neil says in line with Safari Group's recent projects, 'Ramada Wellington' provides a mix of residential accommodation targeting owner-occupiers and strata titled hotel accommodation.

"It is suited to investors seeking a hands-off investment providing returns at higher levels than most standard residential property investments. Purchasers of the hotel units will receive a fixed rental income guaranteed by Marsden Group Limited, a well-regarded New Zealand based hotel operator. In addition, Marsden will operate the hotel under the Ramada brand which is part of the Wyndham international resort and hotel group."

Mark Farrands, Chief Investment Officer for MaxCap New Zealand, said: "We are delighted to be funding this development, reinforcing our commitment to providing institutional-scale credit to the real estate sector in New Zealand. Safari Group is a highly regarded developer with strong relationships across the property and construction sectors.

"Safari has de-risked the project by partnering with proven operators in Marsden Group and creating a mix of product that we expect will perform well despite the current economic headwinds."

Mr Farrands said that despite the current lack of international visitors and obvious challenges the New Zealand tourism sector is currently facing, the Wellington market had proven more resilient than most. He said the project, which is in the early stages of development, has attracted a good level of pre-sales which has continued through the various Covid-19 alert levels.

"At this stage of the project, Safari Construction (a subsidiary of Safari Group) currently has more than 100 workers on site and this number is growing as more facets of the project are being opened up, providing a boost to the local economy and supporting local trades."

Caption: An artist's impression of the Ramada Wellington building.

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About MaxCap Group

MaxCap Group is one of Australasia's leading CRE debt and direct investment managers and is an established investment manager for domestic and global institutions with current Funds Under Management and Advice of circa A\$3.1bn, having invested more than A\$9bn across more than 342 loans since inception in 2007.

MaxCap's First Mortgage Construction Fund is an open-ended fund for wholesale investors. The Fund invests in high quality first mortgage construction loans secured by commercial real estate in Australasia.