

## Media Release

### **Garden setting designer apartments for East Melbourne MaxCap provides \$76m Construction Debt Facility for Luxcon project**

**5 October 2021 - Melbourne** – MaxCap Group, Australasia’s leading real estate finance and investment managers has delivered a first mortgage construction facility to Luxcon for the development of an iconic site in East Melbourne. A \$76m debt facility has been extended to cover land and construction funding for a high-profile apartment block known as The Address in this tightly held location in the inner city suburb of East Melbourne.

“The Luxcon project is being built in a prime location on the north-east corner of Albert Street and Lansdowne Road in the East Melbourne,” said MaxCap’s Chief Investment Officer, Mr Bill McWilliams. “This inner-city project is in a highly sought after area within the City of Melbourne just 500m from the Melbourne CBD – and adjacent to the Fitzroy and Treasury Gardens and other amenities of East Melbourne village. Residents will be able to walk to everything.”

The 10-level mixed-use retail and accommodation building was granted planning approval earlier in 2021 for 23 apartments, including two double storey penthouses and three levels of basement carparking plus mixed retail on ground level.

Mr McWilliams added: “Industry research suggests that East Melbourne is short of apartment sites for developments. We understand that there have been no new apartment projects built in the past two years and hence we expect strong interest in The Address, East Melbourne by Luxcon – especially given the lack of new supply coming on stream for the owner occupier apartment sector.”

He said the East Melbourne/Fitzroy precinct is particularly favoured by the local owner-occupier purchaser market especially given its proximity to the extensive shopping facilities along Brunswick and Smith Streets Fitzroy and major department stores in the CBD.

“There is significant demand in the East Melbourne area with purchasers looking for quality mid to high rise towers,” Mr McWilliams said. “Demand is reportedly strong in the \$2m - \$5m range and we have seen sales at the level of \$30,000 per square metre and above in several recent transactions. It’s a popular part of Melbourne with excellent amenity.”

Additionally, the location is in easy reach of major medical facilities and hospitals, tertiary educational institutions such as RMIT and University of Melbourne, and various modes of public transport such as bus, tram services and including Parliament Railway Station.

Marketing commenced for the Project in late February 2021 with presales already achieved across a range of product types and building levels demonstrating positive market acceptance across the entire development.

“Industry numbers reinforce that East Melbourne continues to be highly sought-after as a suburb and has scarce supply for purchasers,” said Mr McWilliams. “We are confident of strong sales for Luxcon given this shortage of dwelling stock and believe these apartments will be highly sought after by the purchaser market.” The total GRV of the project is expected to be circa \$125m.

MaxCap has recently announced Apollo Global Management and its affiliates would acquire up to a 50% equity stake. This strategic partnership will enable the creation of a Non-Bank Lending powerhouse. Together we will lead the charge in reshaping the credit markets in Australia.

“We’ll be a ‘one stop shop’ providing clients with greater depth and breadth in real estate debt and equity solutions across all asset classes and real estate strategies across every stage of the lifecycle.” Mr McWilliams said.

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## **MaxCap Group**

MaxCap Group is one of Australia’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 \$4.1bn, having invested more than \$11.5bn across more than 450 loans since inception in 2007.

## **About Luxcon Group**

Luxcon Group was founded in Sydney in 2008 by Ilya Melnikoff. In the past decade, Luxcon Group has successfully completed a number of luxury residential apartment developments in Sydney and given this success, recently expanded to Melbourne. The Address, East Melbourne is Luxcon’s first development in Melbourne, with a number of other projects in the pipeline.

## **For More information please contact:**

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