

# Property

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## Dutch APG eyes growing demand for MaxCap fund

Exclusive

Michael Bleby

Dutch pension fund APG has completed the \$600 million mandate with non-bank lender MaxCap Group it agreed to three years ago and given itself the option to double that exposure to \$1.2 billion, tapping a growing demand for funding at a time when banks are holding back.

The asset manager has exercised the option it took out in 2019 to invest a second tranche of \$300 million for first mortgage loans lending across all real estate asset classes with MaxCap, which last year sold a half stake in itself to US Apollo Funds Management.

As borrowing costs rise globally and uncertainty increases, institutional funders are racing to seize the opportunities created by project funding demands that have not let up.

News of the \$300 million increase from APG comes days after Apollo itself committed nearly \$1 billion to also tap the demand for construction facilities and first mortgages on land, and a week after rival Qualitas secured a \$700 million investment mandate from the Abu Dhabi Investment Authority.

"Bank underwriting is once again shrivelling up," MaxCap executive chairman Wayne Lasky told *The Australian Financial Review*.

"There's heightened volatility and heightened risk and more challenges in the public markets, so increasingly more investors and borrowers are looking to us."



MaxCap is managing APG funds for Central Element's Pienza Neutral Bay Village.

But it is not clear how quickly APG will increase its funding placement again. Mr Lasky gave no time frame, simply saying the commercial intent was to continue to build the partnership between APG and MaxCap and accelerate delivery off the back of the past three years.

In a statement Hong Kong-based Graeme Torre, APG managing director and head of real estate for Asia Pacific, said the pension fund was pleased to deepen its partnership with MaxCap.

"Commercial real estate debt, as an institutional asset class in Australia, is a proven strategy that offers strong risk-adjusted returns for the benefit of APG's pension fund clients and their participants," Mr Torre said.

Higher borrowing costs and inflation are slowing the pace of deals in commercial property. Deal flow fell by more than one-third to \$15.2 billion over the first half of calendar 2022, CBRE figures last week showed.

But in the development space, clients were increasingly gravitating towards non-bank lenders, Mr Lasky said.

Investors were also looking for fund managers able to operate in more difficult times, he said.

"What those investors are looking for is managers able to source their own deals with high-quality operators in the market and those with proven institution-grade platforms that they can underwrite through the cycle and deliver excess returns," Mr Lasky said.



Wotso has transformed a former sailing museum in Mandurah that closed in 2012 into a co-working hub.

## Wotso's net rentals rise by 50pc

Nick Lenaghan  
Property editor

ASX-listed Wotso Property has weathered the disruption of two years of intermittent lockdowns, lifting its net rental income by about 50 per cent above pre-pandemic levels.

Wotso owns more than 81,000 square metres of commercial property and operates 42,000sq m of flexible space. It generates revenue through property rental under traditional lease arrangements and month-to-month under its Wotso flexible space brand.

Since the lockdowns ended, both income streams have recovered, the operator reported in its financial year 2022 result. Wotso's annualised turnover is just under \$24 million, almost 50 per cent higher than it was before COVID-19 disrupted the office and co-working markets.

"The Wotso business has continued on its upward trajectory as existing

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How it sold 'Magic won't happen at the moment' p33

Property snapshot

S&P/ASX 200 REITs Monday (pts)



Best	Close (\$)	Change (%)
Lifestyle Commun	16.88	+1.08
Lendlease Gp	10.11	-0.30
Natl Storage REIT	2.47	-0.40
Vicinity Centres	2.05	-0.49
Stockland	3.84	-1.03
Worst		
Goodman Gp	20.13	-3.36
Centuria Capital	1.875	-3.10
Centuria Ind REIT	2.95	-2.96
Growthpoint Property	3.64	-2.67
Charter Hall Retail	3.96	-2.46

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### Defensive Food-Grade Industrial Facility

For Sale



#### 2 Discovery Drive, Bibra Lake, WA

For Sale by Expressions of Interest closing Friday 2 September at 4pm (AEST)



High-quality improvements of 2,213m<sup>2</sup>\*



Corner land holding of 6,425m<sup>2</sup>\*



Long WALE of 7 years\* to national tenant

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Sam Hammond  
0413 664 247

Sean Thomson  
0418 943 452

Gavin Bishop  
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\* Approx.

### Freehold Owner Occupier Opportunity with Development Potential

For Sale/Lease



#### 4-12 Breese Parade, Forster, NSW

For Sale or Lease by Expressions of Interest closing Thursday 15 September at 4pm (AEST)



Site area 14,110m<sup>2</sup>\*



B2 Local Centre zoning



Opportunity to occupy or develop (STCA)



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