

Media Release

MaxCap and Troon Group acquire prime industrial development site in inner-Melbourne

29 June 2023 - Melbourne – MaxCap Group, Australia’s leading commercial real estate investment manager, and joint venture partner, Troon Group, have confirmed the acquisition of a significant industrial land holding in inner Melbourne.

Located at 618 Clayton Road, Clayton South, the vacant site is being purchased with the intent of delivering approx. 60,000sqm of prime industrial warehousing. The site is a regular shaped 10Ha land parcel less than 20km from the Melbourne CBD with an Industrial 1 Zoning.

“We remain bullish about investing in zoned industrial land parcels in prime infill locations across Australia’s east coast which we have been doing for five years now,” said Simon Hulett, Head of Direct Investment at MaxCap. “This is our first acquisition in Melbourne’s well established south-east logistics precinct, the most tightly held market in Victoria, primarily due to how rare sites like this are and how hard they can be to secure.”

“We continue to see effective rental growth in established industrial precincts such as Clayton, primarily driven by a vacancy rate of less than 1% and a lack of new development stock. Whilst demand has slowed from the highs of the pandemic, e-commerce penetration rates continue to grow, and the last mile delivery service remains highly competitive. With an established residential population directly opposite the site and proximity to major arterial roads, demand for this location is likely to be strong,” said Mr. Hulett.

“Our fourth joint venture with Troon Group follows the successful recent divestment of Chirnside Lifestyle Centre a couple of weeks ago. This strong track record provides our investors with confidence around our ability to execute against the project strategy for Clayton as we move forward through planning and delivery,” Mr. Hulett added.

Tom McInerney, Managing Director of Troon Group said, “There is always some complexity in acquiring these types of sites. 618 Clayton Road was a landfill site over 30 years ago and we have undertaken significant due diligence and stakeholder engagement to gain confidence in navigating this complexity with the relevant authorities to deliver much-needed supply of high-quality product to service the overwhelming demand for last mile logistics facilities.”

“The opportunity to be able to deliver a Super Prime industrial business park in this location was unmissable. 10Ha parcels of land in established metropolitan locations such as 618 Clayton Road do not come around very often. The ability for the Troon/Maxcap teams to work closely with our construction partner H.Troon and our highly regarded consultant teams will allow us to fast-track planning and delivery of much needed stock to the market.”

The sale to MaxCap and Troon Group was managed by David Aiello, Senior Director CBRE Industrial & Logistics.

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MaxCap Group

MaxCap Group is one of Australia's leading Commercial Real Estate investment managers and is an established investment manager for domestic and global institutions with current Funds Under Management and Advice of circa \$7.0bn, having invested more than \$16bn across more than 650 loans and investments since inception in 2007.

MaxCap's Direct Investment team has established an enviable record of success in originating and managing high-yielding investments, particularly in the mid-market joint venture development space. The team is currently managing a diversified portfolio with a total end value of over \$5bn, including partnerships with Australia's leading private real estate developers.

Troon Group

Troon Group is a development, management, and investment organisation, with firm links to H Troon, a family-owned construction business operating for over 150 years. Building on these strong foundations, Troon Group has delivered over 100,000m² of commercial property across Australia in recent years and is now managing a national property portfolio and has invested substantially in high profile and quality projects.