

Aust Unity, MaxCap \$1b student digs portfolio

Exclusive

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Property editor

Australian Unity has teamed up with investment manager MaxCap Group and student digs operator UniLodge with plans to develop a \$1 billion portfolio of accommodation facilities, with the seed asset already acquired in Perth.

The site on Wellington Street, which will be near the new CBD campus of Edith Cowan University, will deliver a \$108 million tower with 732 beds.

Due to open in time for the uni-

versity's first semester in 2026, the 30-storey tower aptly signals the scale of the partnership's ambition to tap into the booming student accommodation market.

MaxCap head of direct investment Simon Hulett noted that education is the leading non-resource sector asset class in Australia, with international student numbers growing rapidly.

Around 25 per cent of enrolments were international students and were seeking quality housing given the dearth of on-campus stock, which represented only about 5 per cent of supply, he said.

"From an equity perspective, our focus is on investing into the living and



The Perth tower will open by the 2026 first semester at Edith Cowan University.

logistics sectors. Obviously, the purpose-built student accommodation sector has some significant tailwind behind it within the living [sector]

umbrella," he told *The Australian Financial Review*.

UniLodge is the largest operator of student accommodation in the country, managing around 38,000 beds.

For Australian Unity, which will contribute equity alongside MaxCap, the investment fits within its social infrastructure strategy. It has previously partnered with UniLodge in 2021 to create the 695-bed Lady Lamington student accommodation buildings at Herston Quarter in inner Brisbane.

Ryan Banting, Australian Unity's social infrastructure executive general manager, said investment into student accommodation had "a twofold effect".

"First, in providing the kind of appropriate accommodation for students with the pastoral care overlay that UniLodge provide," he told the *Financial Review*. "But it also has the impact of reducing the demand for what would otherwise be residential rental stock that could be used by broader segments of the community."

On the investment side, student facilities could generate "enhanced yield over residential rental stock" because such assets typically included extra services, Mr Banting said.

"Student accommodation can provide an opportunity to generate meaningful kind of outperformance over and above rental yields, because of the nature of the leases and the services that are provided," he said.

The push by Australian Unity and MaxCap into student accommodation comes as part of a broader push by institutional investors into residential-for-rent as an asset class. Rental housing in all its forms, including build-to-rent, is gaining traction.

Last month, private equity giant Blackstone bought Student One's 2300-bed student accommodation portfolio in Brisbane for more than \$500 million. And ASX-listed GPT Group is taking over management of a \$1 billion portfolio of Australian and New Zealand student accommodation.

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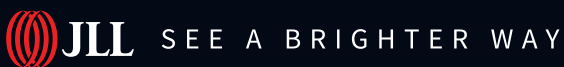
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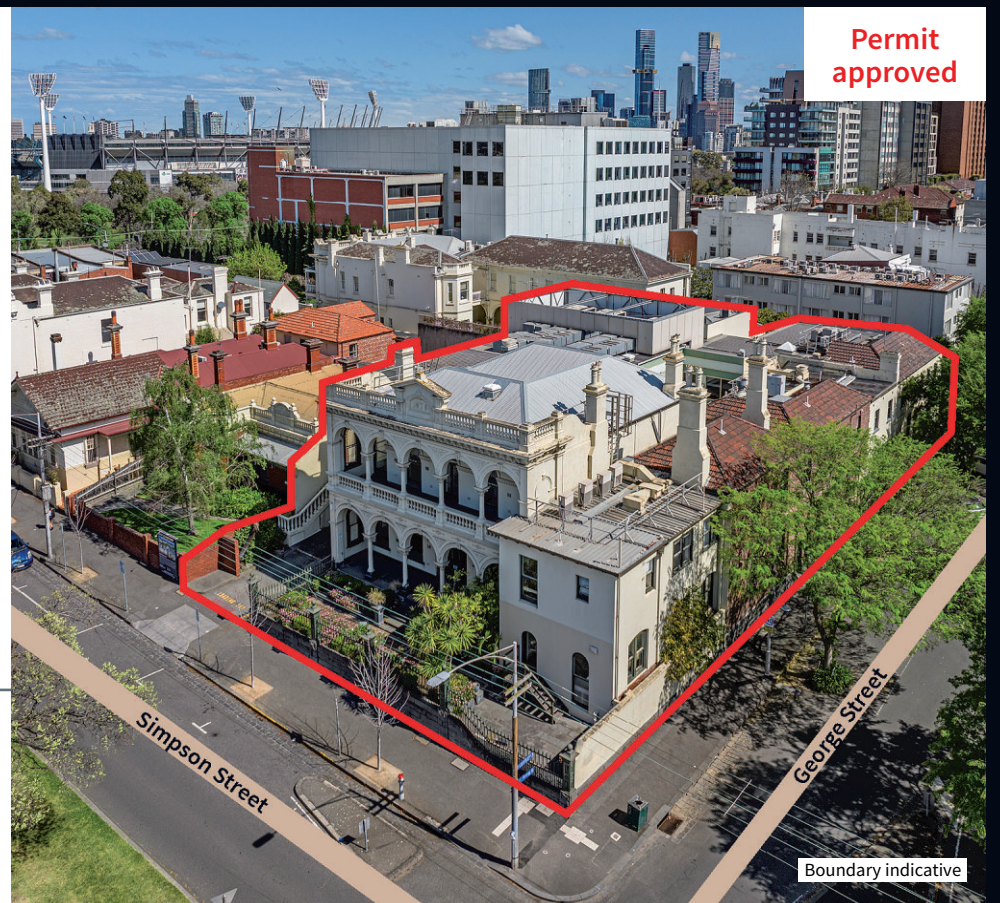
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