

Media Release

MaxCap and Troon Group's \$400m play in Melbourne's inner South-East

27 May 2024 - Melbourne – Prominent joint venture partners MaxCap Group and Troon Group have secured a \$400m development pipeline in Melbourne's inner south-eastern suburbs. The joint venture partners have confirmed the acquisition of a substantial parcel of existing industrial properties in Cheltenham as well as securing planning approval for a new industrial estate at their site in Clayton South.

The newly acquired Cheltenham properties, offering extensive frontage to Bay Road and Wangara Road, represent a sizeable holding of 5.5 hectares of commercial 2 zoned land with strong existing income across triple net leases and staggered lease profiles. The joint venture partners intend to carve the site up and progressively redevelop it to maximise the opportunity.

Simon Hulett, Head of Direct Investment at MaxCap, confirmed the Cheltenham site had been purchased in an equity joint venture with Troon Group.

"This is a significant acquisition that we are very proud to have executed on with the Troon Group team – our fifth joint venture together. The large landholding, flexible zoning and established location lend the site to higher and better uses via retail, childcare, warehousing, and self storage. Leaning into the complexity of the underwriting strategy is where we have been able to unlock value. The ability to de-risk various future uses combined with demonstrable value on the buy attracted strong investor demand," said Hulett.

"It is ideally located close to the proposed new Suburban Rail Loop station, proximity to major road infrastructure, Westfield Southland Shopping Centre and some of Melbourne's most established residential suburbs like Brighton and Sandringham. We see tremendous scope to create value on the site and we expect the redevelopment to deliver around \$200m of product into the precinct," Hulett added.

The Victorian State Government has identified Cheltenham as a critical hub for both future population and economic growth as demonstrated by the \$35b Suburban Rail Loop project being anchored by a new station and surrounding development in the Bay Road precinct.

Additionally, the joint venture partners confirmed that their nearby Clayton Industrial Business Park development had just received planning approval from the City of Kingston last week.

Tom McInerney, Managing Director of Troon Group said, "We were thrilled with the speed with which we were able to secure the permit and appreciate the efforts of the State Government and local council in supporting the application. This will allow us to execute on our strategy of creating a brand new 60,000sqm prime-grade industrial estate across nine warehouses to provide much needed new supply into the highly constrained South-East industrial and logistics market. We expect to commence construction in Q4 2024 with anticipated completion in late 2026."

The Cheltenham sale was brokered by David Aiello from CBRE and Daniel Telling from Colliers.

ends

For More information please contact:

Fidelma Ryan Marketing Director + 61 414 462 515

MaxCap Group

MaxCap Group is one of Australia's leading CRE debt and equity 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 advanced more than \$19bn across more than 650 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 120,000m² 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 including: Mentone Retail Centre, Ballarat Lifestyle Centre, Delacombe Town Centre and Warrugal Homemaker Centre.