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BUSINESS COMPANIES COMMERCIAL PROPERTY FINANCE

Redfern site snapped up for student accommodation

By Carolyn Cummins

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Singaporean developer Wee Hur PBSA Master Trust has paid \$52 million for an old apartment block in Redfern, Sydney's inner west, for redevelopment into student accommodation.

Under the scheme, once approved and completed, there will be about 515 beds in a \$150 million development.

Sydney property services group InterGen Property Group's Trevor Hardie secured the acquisition of a block of 32 units as a redevelopment opportunity at 13-23 Gibbons Street, Redfern, on behalf of the Singapore group.



Artist impression of redevelopment opportunity at 13-23 Gibbons Street, Redfern, Sydney

Mr Hardie said student accommodation is emerging as an investment-grade sector with institutional money flowing into developments.

He said it is a very competitive market in trying to find properties for redevelopment that are suitable for student accommodation.

The Redfern site is 1365 square metres and is close to the University of Sydney and University of Technology as well as Redfern Railway station and the proposed Waterloo Metro Station.

Mr Hardie said Wee Hur appointed Interger as their investment manager in February, with a mandate to invest \$700 million in development sites for their Purpose Built Student Accommodation (PBSA) trust, being the Wee Hur PBSA Master Trust.

"Interger's facilitation of this acquisition is the first for WH in Sydney. Sydney remains Australia's most sought-after location for student accommodation in terms of the supply and demand fundamentals. Interger are looking for other Sydney sites for WH," Mr Hardie said.

This is Interger's second acquisition for the trust. The first being 183-189 A'Beckett Street, Melbourne for \$35 million which settled in March. WH has submitted plans to develop the 1038sq m site into a PBSA of 900 beds.

WH's PBSA target is to own 5000 beds in major cities of Australia and there are about 3765 beds currently in the pipeline across their existing sites in Sydney, Melbourne, Brisbane and Adelaide.

In April the European-based Allianz Real Estate partnered with Scape Australia to establish Scape Australia JV 2, an \$A-denominated, closed-ended fund targeting the purpose-built multi-million dollar student accommodation market in Australia.

Savills Australia's Stuart Cox, Neil Cooke and Johnathon Broome advised on the sale.