

# FINANCIAL REVIEW

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By Larry Schlesinger

## Redfern shops and units to make way for student housing

Listed Singaporean developer Wee Hur has acquired a row of neighbouring shops and residential units in Sydney's Redfern for \$46 million with plans to develop a large student accommodation facility.

The 1287-square metre site, which runs from 90 to 102 Regent Street has been acquired by Wee Hur's \$1 billion Australian student accommodation master trust, which aims to deliver 5000 student beds by 2022.

The site has been acquired in two transactions.



The sites acquired by Wee Hur are close to Redfern train station. **Peter Morris**

In the first of these, Wee Hur paid \$36 million to buy properties at 92, 94 and 96 Regent Street and 11 units at 98 to 102 at Regent Street from GGWL Investments, a company jointly owned by Jian Gao and Shao Han Wang.

The second acquisition is a commercial building at 90 Regent Street bought for \$10 million from the City of Sydney. The deal is subject to Foreign Investment Review Board (FIRB) approval. The building was one of six the City of Sydney decided to sell in 2017.

Wee Hur said it intended to redevelop the Redfern properties into purpose-built student accommodation with approximately 459 beds.

"The acquisitions are in line with the group strategy to venture into Australian-focused purpose-built student accommodation with the aim of collecting passive recurring rental income," Wee Hur said in a statement to the Singapore Exchange.

The Redfern acquisitions were handled by Wee Hur's Australian investment manager InterGen Property Group.

It's Wee Hur's second acquisition in Redfern after it paid \$52 million in 2017 for an apartment building at 13-23 Gibbons Street with plans for a 515-bed facility.

The inner city suburb of Redfern is easy walking distance to both the University of Sydney and University of Technology Sydney (UTS). From 2024 it will have a second train station at Waterloo as part of the Sydney Metro project.

Wee Hur's latest acquisitions come at a challenging time for the once-booming student accommodation sector.

An industry report by Savills forecast a sharp contraction in annual income growth for student accommodation operators this year due to the severe contraction of international student market from COVID-19.

Longer term, Australia's better management of the pandemic and its relatively low infection numbers is expected to give its tertiary education sector the edge over other international study destinations.

A rise in domestic enrolments is also expected to fuel a rise in the take-up of student accommodation in coming years.

The Redfern deals follows Wee Hur acquisition of two new sites within Brisbane's Buranda transport precinct near Woolloongabba from the Queensland government in March. Wee Hur also struck an option agreement to acquire a third site next to the Buranda train station.