

FINANCIAL REVIEW

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By Martin Kelly

Wee Hur doubling down on student housing

Singaporean property developer Wee Hur Holdings is pushing ahead with aggressive expansion plans for its student housing portfolio despite the closure of the international border decimating demand.

Wee Hur has eight student housing sites with capacity for 6000 beds in Australia – two in operation, one mothballed, another near completion and four in various stages of planning – and is looking for up to six more.

“It’s absolutely full steam ahead – we’re still on the acquisition path and looking to buy more sites,” said Dennis Kalofonos, managing director of InterGen Property Group, which manages Wee Hur’s Australian investments.



Render of a student housing tower proposed by Wee Hur at 90-102 Regent Street, Redfern, Sydney.

Mr Kalofonos said Sydney and Melbourne were the priorities. Brisbane also appealed, but on a lesser scale.

“We’re looking to acquire another 3000 to 4000 beds across four to five sites, six maybe,” he said.

Target sites are close to education facilities and infrastructure, which in Sydney means the Kingsford/Kensington corridor, where competitor Scape is building several developments, and locations near Sydney University and University of Technology, Sydney in the southern CBD.

Mr Kalofonos said Wee Hur was confident about the sector.

“The next two or three years might be difficult, but Wee Hur is taking a very long-term view of the sector,” he said.

“Given Australia’s performance compared to the rest of the world in the pandemic, we feel there’s going to be exponential growth in the education sector here as opposed to parts of the US and parts of Europe.”

The company believed students were lining up to come back to the country once the border re-opened, Mr Kalofonos said.

“It will be much more appealing for overseas students to come to Australia than other countries,” he said.

“That’s what we’re hearing back from education agencies from around the world, they’ve got students lined up to come back once borders open.”

Mr Kalofonos said Wee Hur’s student housing towers UniLodge Park Central in Brisbane, with 1600 beds, and the 720-bed UniLodge City Gardens in Adelaide had performed “better than we expected” through the pandemic, with occupancy of about 40 per cent.

Undeterred by setbacks

However, plans to introduce Wee Hur’s Y Suites hospitality management brand are on hold following the decision not to open its completed launch development in Adelaide – Y Suites on Waymouth – until the border reopens.

Mr Kalofonos said the same approach would probably be taken with its 48-storey tower in A’Beckett Street, Melbourne, which has 888 beds and is scheduled to be completed by the end of this year.

Despite these setbacks, Wee Hur remained undeterred, and Mr Kalofonos confirmed the NSW government had approved its development proposal for 90-102 Regent Street, Redfern, one of three adjoining sites Wee Hur bought for a combined \$144 million.

It plans to develop three student housing towers with 1300 beds on the land.

Demolition is under way on the first Redfern tower at 13-23 Gibbons Street, with completion scheduled for late 2022. Wee Hur also owns 104-116 Regent Street.

Meanwhile, Wee Hur is pressing ahead with a 730-bed student housing development in Canberra on an 18,000sq m site that is due to complete in December 2022, ready for the 2023 academic year, when it hopes the international border will finally be open.

Wee Hur has so far spent \$253 million on sites which, if all goes to plan, will have an estimated end value of more than \$1 billion.