Oxford and Indi Acquire New Build to Rent Development Project in Southbank

December 16, 2021

Oxford Properties (Oxford) and Indi this week announced they have entered into an agreement with PDG Corporation ('PDG') to develop a proposed build to rent (BTR) development project at 132 Kavanagh Street, Southbank ('Kavanagh Street').

Located in a prime setting in Southbank, the purpose built, 42-level tower will incorporate 434 apartments, including 40 to be offered as key worker housing. Developed by Melbourne based developer PDG Corporation in partnership with Indi, the project will provide the opportunity to deliver a placemaking, residential rental offering in a prime location, five minutes from the CBD, public transport and the Southbank campus of the University of Melbourne.

Investa launched Indi, its new, dedicated build to rent management platform in May this year with the aim of providing a better way to rent in Australia. Indi's strategy is to develop a prime portfolio of 5,000 apartments and become the pre-eminent BTR platform in the country, by providing residents a new and attractive alternative to the private rental market.

James Greener, Fund Manager for Indi said: "The Kavanagh Street acquisition grows our pipeline and builds economies of scale for the Indi platform. The acquisition offers an attractive risk adjusted return with significant upside, supported by strong demographic and demand fundamentals."

"Once complete, Kavanagh Street will provide a fantastic new living experience for the growing number of people seeking quality, well serviced rental accommodation in desirable locations like Southbank."
The acquisition increases Indi's pipeline to 1,370 apartments across its core markets of Sydney and Melbourne. Indi Sydney City, located in Pitt Street, comprises 234 apartments and is due for completion in September 2023. Indi at Footscray, comprising 702 apartments, is in its planning phase with construction due to commence in April 2022 and completion in May 2024.

PDG Managing Director, Vince Giuliano said: "PDG is proud to be partnering with Oxford and Indi on this exciting BTR offering as developer and delivery partner. We look forward to delivering a high-quality finished product that will set a new benchmark for modern apartment living in the highly coveted Southbank market."

PDG plans to commence construction in the second half of 2022, with a two-year construction program.

Penny Ransom, Chief Investment Officer, Investa said: "We have ambitious growth plans for Indi and are delighted to have secured such a fantastic development site, in one of the most convenient, liveable locations in Melbourne."

"Indi's vision is to provide a distinctly different rental experience for residents. Key to this is securing sites that meet the needs of today's fast paced lifestyle, with easy access to transport, work, study and recreational attractions, combined with high quality, well-designed homes – Kavanagh Street will provide all of this and more."

Alec Harper, Head of Australia, Oxford said: "A lack of housing choice is one of the most pressing issues facing major cities across the globe. We are combining our capital and global experience of investing in, growing and delivering build to rent businesses and development projects to create new supply and improve housing choice for Australians. Today's transaction further delivers on the collective vision of Oxford, Investa and Indi to transform the experience of renting a home in Australia, through greater choice, quality and institutional management expertise.

"Growing our exposure to the Australian build to rent sector represents one of Oxford's highest-conviction investment strategies. Together with Investa, we are assembling a pipeline of high-quality rental schemes in Melbourne and Sydney to ensure that Indi becomes the preeminent operator in the Australian market."

Oxford currently owns and operates an extensive apartment portfolio across North America, with a development pipeline of approximately 15,000 units. It is a co-owner of Get Living, a leading UK BTR platform, which owns approximately 3,000 operational units, with a pipeline of a further 5,000 units.

About Indi

Indi is a newly established build to rent management platform in Australia. Indi's vision is to deliver a better rental experience for Australians and create a positive new dynamic between tenant and manager.

Indi is targeting a portfolio of 5,000+ apartments, with a focus on Sydney and Melbourne. Each project will provide a strongly differentiated offering, with high quality apartments, extensive, yet tailored amenities and dedicated on-site service teams, located close to major transport links and public amenities. Investa's local market expertise and people, combined with Oxford's global track record in the sector will enable Indi's outperformance in the Australian build to rent sector.

About Oxford Properties Group

Oxford Properties Group ("Oxford") is a leading global real estate investor, asset manager and business builder. It builds, buys and grows defined real estate operating business with world-class management teams. Established in 1960, Oxford and its portfolio companies manage approximately C$87 billion of assets across four continents on behalf of their investment partners. Oxford's owned portfolio encompasses office, logistics, retail, multifamily residential, life sciences and hotels in global gateway cities and high-growth hubs. A thematic investor with a committed source of capital, Oxford invests in properties, portfolios, development sites, debt, securities and real estate businesses across the risk-reward spectrum. Together with its portfolio companies, Oxford is one of the world's most active developers with over 100 projects currently underway globally across all major asset classes. Oxford is owned by OMERS, the Canadian defined benefit pension plan for Ontario's municipal employees.