

Assembly raises over US\$100m for Australasian property fund

September 19, 2019

Assembly Funds Management (AFM) has raised more than AU\$150m (US\$102.4m) in the first close of its maiden fund, ADPF1, which will invest in real estate debt and equity across Australia and New Zealand.

AFM plans to raise a further AU\$150m within the next two years from high net worth family offices and institutional investors both in Australia and abroad, the firm said in a statement.

The Lowy Family Group is a cornerstone investor in the initial fund, as well as a shareholder in AFM together with AFM CEO and founder Michael Gutman and property investment group Alceon.

"This will be an important partnership for us to participate in real estate investment opportunities in Australia and New Zealand going forward and we, of course, have great confidence in Michael having been colleagues at Westfield for 25 years," said Steven Lowy, principal of Lowy Family Group.

Michael Gutman was most recently a main board director of Westfield Corporation and president and global COO until the June 2018 sale to Unibail-Rodamco.

The fund is aiming for A\$300m in total equity, providing ADPF1 with about AU\$450m in investment firepower.

It will invest in value-add opportunities, core-plus acquisitions and real estate senior and junior debt across the residential, industrial, commercial, leisure and retail asset classes.

AFM has already identified several investment opportunities for ADPF1 and will seek to team up with industry partners in each market to add to the pipeline.

AFM has hired Tim Meurer as head of transactions, who joins from Invesco where he was head of acquisitions Australia and New Zealand.

"AFM provides the opportunity to bring together my experience and relationships gained globally and locally over the past 40 years to deliver positive outcomes for our investors," Gutman said.

Alceon managing director Trevor Loewensohn said Alceon would provide back-office support, fundraising and pipeline opportunities to AFM, having established a sizeable business in the real estate and non-bank lending sector over the past few years.

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