

Lowy family join Gutman, Alceon in \$450m property fund

By **BEN WILMOT**, COMMERCIAL PROPERTY REPORTER
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The powerful Lowy family has teamed up with long-time Westfield lieutenant Michael Gutman and the Alceon operation, run by former Babcock & Brown executives, to launch a property fund that could acquire up to \$450m worth of assets.

The trio have established Assembly Funds Management, which will target all property sectors, including shopping centres where it believes it holds an advantage, as well as lending to clients, including apartment and housing estate developers. Assembly has just completed the first close of its ADPF1 Fund, topping its \$125m initial target with more than \$150m committed.

Most significantly, the Lowy Family Group was a cornerstone investor, putting in about \$75m, as well as being a shareholder in the entire platform together with Alceon and Mr Gutman, who was president of Westfield.

The move is one of the first public plays by the LFG since the sale of the international Westfield shopping centre empire to French group Unibail-Rodamco.

The family still holds a significant stake in the owner of the local Westfield platform, Scentre, but does not hold management positions as now focuses on investing.

“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,” LFG principal Steven Lowy said.

Over the next two years the fund will raise a further \$150m from family offices and institutions locally and abroad to help it pursue what Mr Gutman calls an “agnostic” approach, using property debt and equity in Australasia across all property classes.

This may stretch to value-add opportunities, core plus acquisitions and real estate senior and junior debt. Areas will include residential, industrial, commercial, leisure and retail.

Assembly Funds will aim for low teen returns and seek out areas overlooked by larger institutions as it spends about \$450m once debt is used.

Mr Gutman quipped that the manager had a “few people” who understood retail quite well. “We will be selective,” he said. “There is a lot of retail property coming to market; in all that there will also be opportunities for repositioning.”

Alceon managing director Trevor Loewensohn said his group would provide back office support, fundraising and pipeline opportunities, building on its own real estate and non-bank lending activities.

Assembly Funds is already investing two residential plays — one in Melbourne and one in Sydney — which involve lending and preferred equity.

The group will also seek to back emerging property operators.

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Ben Wilmot has been The Australian's commercial property editor since 2013. He was previously a property journalist with the Australian Financial Review.