

— Street Talk

Real estate group Assembly Funds restocks war chest

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Watch for the deals at real estate investment firm Assembly Funds Management, after it closed a bigger than expected fundraising on Sunday night.

Assembly, headed by former Westfield Corporation global president and COO Michael Gutman, set out to raise \$50 million for its Australian Diversified Property Fund (ADPFI) but ended up with more than \$70 million thanks to support from its existing investors and some new high net worth backers

Assembly's not expected to take long to put the money to work. It's understood to have a fair chunk of the capital earmarked for an industrial property transaction alongside Cadence Property Group, in a deal that could be signed as early as this week.

It would not be the first time Assembly had invested with Cadence. The pair is working together on the Sunshine North large format retail centre in Melbourne, which they acquired in May last year.

As for Assembly, it has now raised \$280 million of equity in its first two years, and wants to get to \$350 million.

The firm, backed by Lowy Family Group and Alceon Group, has so far invested primarily in residential, large format retail, and childcare properties, with \$300 million in gross assets on its books. It has told investors its portfolio should be able to help it make a 17 per cent a year gross return, while its targeted annual net return is 10 per cent to 12 per cent.

And at this rate, it also probably won't be too long before we see APDF2...



Michael Gutman, founder of Assembly Funds Management has restocked the firm's acquisition warchest. **Supplied**