

Lowy's swoop on The Rocks property

EXCLUSIVE

By **LISA ALLEN**, BEN WILMOT

5:39PM OCTOBER 8, 2021 •  1 COMMENT

A fund backed by the multi-billionaire Lowy family has jointly struck a \$36.25m deal to buy a block of 17 historic terraces plus a commercial building in Sydney on a long-term deal with the NSW government.

The property holding, known as the Longs Lane Terraces in The Rocks, was sold by the NSW government as part of its controversial move to offload former public housing property in inner Sydney, which included the \$150m sale of the Sirius building for conversion into a luxury apartment block overlooking the harbour.

A 99-year leasehold over the Longs Lane terraces was purchased by locally based private equity firm NashCap and its partner, the Lowy-backed real estate investor Assembly Funds Management.

Assembly was set up two years ago by former Westfield chief operating officer Michael Gutman in conjunction with Trevor Lowensohn and Phil Green's Alceon Funds Management and the Lowy Family Group.

It launched its first vehicle, a \$350m fund, in 2019 and had raised about \$280m by mid-year. Assembly has done deals including buying a small local shopping centre and lending to residential developments.

But the plays are very different from the Westfield empire that Sir Frank Lowy co-founded and ran for almost six decades.

The Lowys sold out of Westfield in 2018 in a \$32bn deal in which the international Westfield empire was sold to French company Unibail. A year later the family exited its holdings in local Westfield owner Scentre Group.

Big malls have since been smashed by the coronavirus crisis, which accelerated longer-term trends that were cutting their values, including the switch to e-commerce.

In The Rocks, the partners have acquired a 2459sq m site, with 14 of the terraces state heritage-listed, which leaves it no option but to restore the properties.

Described as a unique group of residential buildings from the late 19th and early 20th centuries, the terraces include rare examples of the early 20th century government-built workers' housing project initiated by the Housing Board Act of 1912. The terraces were sold on a 30-day settlement and include a commercial bed and breakfast establishment on Cumberland and Gloucester streets. Some of the terraces on Longs and Carahers Lanes have connections to early Victorian and Edwardian architectural periods.

The terraces are presented as they were originally built between 1822 and 1992, or have been restored and renovated, with 14 of the 18 properties listed on the State Heritage Register.

NSW Minister for Water, Property and Housing Melinda Pavey said the sale of the 18 properties – all held on a single title – would ensure the terraces' ongoing conservation.

“The sale of the Longs Lane terraces via a 99-year lease allows private sector investment and innovation to play a key role in conserving and bringing these

prized properties to life, while also keeping them in government hands in the long term,” Ms Pavey said in a statement.

“Our strategy to drive economic development and heritage conservation through partnering with the private sector is creating enormous opportunities to reactivate and bring more people and jobs to the area, especially as we begin to recover from the latest impacts of the pandemic.”

The long-term leasehold for the property holding was negotiated by Savills Australia on behalf of the NSW government.

Stuart Cox, Neil Cooke, Johnathon Broome, Andy Hu and Jordan Lee of Savills handled the deal.

Mr Cox said The Rocks was a landmark tourist destination filled with pedestrian ways, arts and culture and some of the oldest hotels in the nation.

“The Sydney CBD is ever evolving and continues to lead the way as a forward-thinking international city, and the historical Rocks precinct is an extension of that,” he said.

LISA ALLEN, ASSOCIATE EDITOR & EDITOR, MANSION AUSTRALIA

Lisa Allen is an Associate Editor of The Australian, and is Editor of The Weekend Australian's property magazine, Mansion Australia. Lisa has been a senior reporter in business and property with the paper since... [Read more](#)

