

Property Giants Enter Melbourne Build-to-Rent Market

Thursday 3 December, 2020

Canada's Oxford Properties has struck its first build-to-rent deal in Melbourne, acquiring a 7,000sq m development site in Footscray.

The acquisition, and impending plans for a \$450 million, 700 apartment project on the site, will act as an entry point for Oxford—the property arm of giant Canadian pension fund OMERS, into Melbourne's build-to-rent sector.

Oxford, which will partner with Investa on the project, has a strong track record delivering build-to-rent precincts in the UK and North America.

The Canadians are currently developing the first build-to-rent site in [Sydney's CBD](#), with Investa providing investment and development management services on that project.

The 39-level Pitt Street South development, being built over the Pitt Street Metro station, will commence construction next year and will comprise 230 units when completed in 2023.

Together the two projects will assemble a portfolio of 1,000 build-to-rent units for Oxford which has made rapid strides in the local market since its dramatic \$3.4 billion takeover of a listed Investa-run fund in late 2018.

The Footscray site, located at 3 McNab Avenue, was originally part of a \$350 million 1.3 hectare parcel masterplan comprising 250 student accommodation units, 240 apartments, retail and offices.

Stage one of that development—an office building occupied by State Trustees and City West Water at 1 McNab Avenue—opened in 2014.



▲ Oxford's newly acquired triangle-shaped parcel of land sits within close proximity to the Footscray railway station. Image: Nearmap

Oxford's head of Australia Alec Harper said the Footscray acquisition was in line with the property group's strategy to actively grow its exposure to Australia and the nascent build to rent sector.

"[Our] focus is on assets in core markets that offer scale, access to wider amenity and the right household demographics.

"Leveraging Investa's local market expertise and team, we're confident Footscray will provide a new level of quality and amenity to Melbourne's inner-city rental market."

The site is located alongside the Footscray railway station and sits within close proximity to Victoria University and a 15 minute commute to the Melbourne CBD.

The area is also tipped to experience strong population growth, boosted by the planned \$1.5 billion re-development of the Footscray Hospital.

Oxford and Investa build-to-rent fund manager James Greener said he expects the platform to grow to as many as 4,000 to 5,000 units over the coming years.