

# Aware Super lines up big push into build to rent

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Aware Super and its investment partner Altis are circling two of Melbourne's best build-to-rent sites as part of plans to build hundreds of affordable rental apartments in the Victorian capital for key workers including teachers and nurses.

*The Australian Financial Review* understands Aware and Altis are in exclusive due diligence to buy the former [Bayview on the Park hotel site in the St Kilda Road precinct](#) south of the CBD for more than \$70 million.

At the same time the pair are among the shortlisted buyers for a [\\$50 million build-to-rent site in Kensington on the city's northern fringe](#) being sold by Nicole Chow's UAG Group.



The Bayview hotel stands on almost 7000 square metres less than 5km from the CBD.

A spokeswoman for Aware Super declined to comment on its interests in the two sites, while an Altis representative said the fund manager did not comment on its investment mandates.

Aware, which manages \$140 billion of savings on behalf of more than 1 million members – many of them essential workers – already owns six affordable housing assets in Sydney, two in Melbourne and one in Perth. It bills itself as the country’s biggest developer of affordable housing.

Its focus is on offering quality rental accommodation to essential workers such as teachers, nurses, police and aged care staff at 20 per cent discounts to market rates, whilst generating solid returns for its members.

“Over the past three years we have committed more than \$800 million nationally in essential worker affordable housing assets, either by purchasing excess stock from developers, underwriting planned developments or developing our own build-to-rent projects,” said Damien Webb, head of income and real assets at Aware Super,

“We have been involved in several successful build-to-rent projects in the US and, while more difficult in Australia, we have been able to secure some attractive returns from this asset class.

“Our focus is on finding assets close to important urban infrastructure including schools, hospitals, transport and shops to ensure essential workers can live close to where they work and reduce commuting time.”

Sydney-based Altis Property Partners is already partnering with Aware on a \$300 million housing development in Liverpool in Greater Western Sydney [as well as on industrial projects](#). Last July, it hired former CBRE institutional investments specialist Neva Courts as director of its Melbourne real estate business.



An artist impression of the BTR project at 346-350 Macaulay Road.

Local real estate insiders said Aware and Altis had been actively seeking sites in Melbourne for some time and had held briefing sessions on their investment mandate and housing development strategy.

Occupying almost 7000 square metres less than 4 kilometres from the Melbourne CBD, the Bayview Hotel site at 50-52 Queens Road could yield hundreds of apartments either through repurposing the existing 203-room hotel and multi-deck carpark or by demolishing these building and developing a purpose-built apartment development.

On the other side of the city fringe, UAG's 8803 square metre former Vision Australia site at 346-350 Macaulay Road in Kensington comes with a permit for a six-tower project of 424 apartments.

Here Aware may face competition from other build-to-rent players in the burgeoning sector, including ASX-listed Mirvac, which is developing a number of inner-city sites, and the [\\$1 billion BTR fund established last year by Qualitas and Rich Lister Tim Gurner.](#)