

GURNER, Qualitas raise \$1.2 billion for rent-to-build platform

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Photo (L-R): GURNER co-founder Tim Gurner with Qualitas' co-founder Mark Fischer and head of origination Rohan Davis.

Developer GURNER and alternative real estate investment manager Qualitas have far exceeded expectations in an international capital raise for their GQ Build-to-Rent platform, securing \$1.2 billion for projects aimed at the Sydney, Melbourne and Brisbane markets.

The two Melbourne-headquartered groups originally set out to raise \$1 billion but the round was oversubscribed, cornerstoned by a global institutional investor alongside co-investment from both joint venture partners.

GQ expects the \$1.2 billion will fast-track the construction of 1,700 apartments already under the group's control and fund the acquisition of further build-to-rent assets, with an objective to surpass 5,000 apartments within years.

The first seed site to launch under the platform will be the recently announced \$450 million, 385-residence project at 12 Hassall Street in Parramatta that GURNER and Qualitas acquired this month. The 2,049sqm site will yield 61 levels and likely include 4,000sqm of retail and commercial space, premium amenity and a rooftop facility once complete.

The platform's fully-funded status joins only a handful of local build-to-rent providers who have successfully raised capital, placing GQ - founded just 12 months ago - in an enviable position to lead the sector and continue to grow the platform.

"It is humbling to have witnessed such an overwhelming response to our capital raise, which became oversubscribed in such a short period of time," says GURNER founder and director Tim Gurner.

"The capital markets for build-to-rent right now are extremely competitive, and being able to secure this funding against such competition to launch our platform is very exciting.

"With majority of the capital now allocated we will soon be commencing another round of capital raising in the coming months as we look to aggressively grow the size of the fund, and as we prepare to commence construction across various projects in the next 12 months."



Artist's impression of the JV's Parramatta project.

Gurner highlights an ambitious plan of what the JV plans to achieve in the build-to-rent space, and looks forward to focusing on delivering a product that will provide a genuine point of difference to the sector.

"Our buildings will be targeting residents who want the service and amenity of a five-star hotel, alongside the comfort and security of a luxury home," he says.

"We are now heavily focused on the Sydney market in particular for further sites to build the portfolio. With market penetration across the eastern seaboard we can create the largest and most sought-after platform in Australia, which is certainly our ambition.

"12 months ago we set up an office in Double Bay in Sydney to ensure we can own a large portion of that market in both build-to-rent and build-to-sell as we continue to diversify across Australia," he says, noting GURNER now has a very large portfolio worth more than \$10 billion across Victoria and Queensland.

Qualitas global head of real estate and co-founder Mark Fischer says the overwhelming response to this capital raising reinforces the group's belief in the build-to-rent sector.

"Across Australia, we are anticipating strong and growing demand for high-quality build-to-rent assets as population growth and declining home ownership drive the need for quality rental stock," he says.

"The scale of our debut capital raising in the build-to-rent sector and its support from bluechip institutions is vindication of our decision to pursue a fully vertically integrated model for BTR.

"We had conviction when setting up the platform that having control of assets to launch a capital raise was pivotal. The momentum we have in prudently deploying the capital we have raised means that we expect to be in the market on a second fund raising early next year.

"The build-to-rent sector is perfectly aligned to our focus on assets generating defensive and resilient cashflows and we are seeing global institutional investors increasingly allocating capital to investment strategies supported by these themes."