

Fund manager Impact Investment targets affordable housing



Impact Investment Group CEO Chris Lock in Melbourne. Picture: David Geraghty

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Melbourne-based fund manager Impact Investment Group is running an eye over the affordable housing sector, with chief executive Chris Lock saying the Liberman family-backed group will not be relying on government incentives if it does move to invest.

“We are paying close attention to the sector, which aligns well with our investment ethos,” Mr Lock told *The Australian*.

“Government bonds or backing would help provide a stimulus, but we are not necessarily dependent on this.”

Mr Lock said no project had been earmarked.

“Its embryonic,” he said, noting that the fund manager was looking at a variety of structures.

Its redevelopment of a former woolstores building at Kensington had introduced IIG to Melbourne’s inner northwest, which would be well suited to affordable housing because of its good transport links, he said.

Last month, IIG made its first Sydney purchase, paying just under \$190 million for the Four Points by Sheraton hotel at Central Park as well as a significant parcel of office space in inner city Chippendale that is being developed by Singapore's Frasers Property Australia and Japan's Sekisui House.

IIG, set up in early 2013 and also backed by Small Giants, a private investment company founded by Melbourne's Berry Liberman and her partner Daniel Almagor, focuses on "impact investing" — an approach aimed at delivering competitive financial returns, social and environmental returns.

It owns a wind farm through an unlisted trust as well as a \$100m solar energy infrastructure fund and property in Brisbane, Sydney and Melbourne.

Solar would be a focus over the next 12 months for the group that started as a real estate fund manager, Mr Lock said.

IIG has \$400m in property funds under management that will rise with the Central Park investment, along with its \$140m purchase of Lend Lease's 5 King building at its Brisbane Showgrounds, which is under development. 5 King will be Australia's tallest engineered timber building at 10 storeys or 45m.

It is IIG's second acquisition from Lendlease after paying \$132m for the first Brisbane showgrounds building 1 Kings Gate in 2015, with Mr Lock saying the group is a good fit as a partner for institutional developers.

The fund manager's introduction to the Frasers and Sekisui's \$2 billion Central Park project came through one its investors. IIG has about 400 wholesale and high net worth investors with each property held in a single asset fund.

Mr Lock said the \$140m Sheraton hotel and \$50m office component at Central Park would be held by separate single property funds.