

Folkestone gets into greenfields

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Listed property investment manager **Folkestone** has made its first foray into residential land division, with an \$18.25 million fund to develop a housing estate in Melbourne's west.

The Folkestone Truganina Development Fund has taken an 80 per cent stake in a 52.5 hectare residential master-planned community.

About 20 kilometres west of the CBD, Truganina is in Wyndham, one of the fastest growing municipalities in Australia. The new fund is underwritten by Folkestone, which has been on the recovery path since former **Mirvac** chief **Greg Paramor** took over its running three years ago.

Mr Paramor said Folkestone's move in residential subdivision was an investment into Melbourne's growth

We believe the price point... should underpin demand.

Greg Paramor, Folkestone

corridor. "We believe the affordable price point for the residential lots – together with its proximity to the Melbourne CBD, access to major freeways and the new Regional Rail Link and the major employment zones in the western corridor – should underpin the demand for our project over the coming years."

The project on Doherty's Road in Truganina will comprise about 680 residential lots and a 3.1 hectare town centre. Folkestone's joint venture partner is private developer **ID_Land**, with

a 20 per cent stake, which will manage the delivery of the project.

The joint venture is also likely to divest the town centre component of the project.

The Truganina project is the third development fund launched by Folkestone, which will retain a 20 per cent co-investment stake in the vehicle.

Six months ago, Folkestone reported that it had built up its funds under management to \$700 million.

Since then, the fund manager established its fourth syndicate, holding a \$35 million suburban Brisbane shopping centre.

More recently, Folkestone took over boutique real estate fund manager **Maxim Asset Management**. Folkestone also manages two listed trusts, along with several private single-asset funds.