



Lendlease and First State Super announce plans for US\$2 billion multifamily investment vehicle

(Sydney, 22 August 2018) – Lendlease has joined forces with one of Australia’s largest superannuation funds, First State Super, to establish a new investment platform to develop and hold multifamily (residential for rent) assets in US gateway cities.

Lendlease and First State Super have each committed US\$500 million in equity to the new vehicle and plan to create a US\$2 billion portfolio of geographically diverse multifamily assets across the gateway cities of New York, Chicago, Boston, San Francisco and Los Angeles.

Lendlease will become the platform’s development, construction and investment manager. The vehicle will be seeded with two existing Lendlease multifamily projects that are currently being completed in Chicago and Boston with an end value of more than US\$400 million.

The US multifamily sector is valued at more than US\$3 trillion and has delivered higher and less volatile returns than most major US real estate sectors during the past 25 years. The strength of the sector has been underpinned by a major shift to renting, which has seen more than six million renter households created in the US over the past 10 years.

Quotes attributable to Lendlease Americas, CEO, Denis Hickey

“This new multifamily investment vehicle is consistent with our strategy of leveraging Lendlease’s integrated property capabilities to deliver high quality urban regeneration projects that enhance people’s lives while simultaneously creating value for our shareholders and partners.

“We have a strong track record of success working alongside First State Super and share a common objective to increase our exposure to the US multifamily sector. Over time, the platform will also provide an opportunity for new investors to gain access to a portfolio of multifamily assets across our US gateway cities.”

Quotes attributable to First State Super Head of Income & Real Assets, Damien Webb

“We are excited to expand our strong and longstanding relationship with Lendlease into a market and sector that we believe has very attractive long-term fundamentals.

“Over the past few years First State Super has proactively researched the multifamily sector domestically and in the US. We believe Lendlease is an excellent partner to execute on this strategy given their skill in delivering large urban regeneration projects coupled with their integrated business model.”

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