

Gay retirement village uses crowdfunding

Nick Lenaghan

Property investor DomaCom is using its crowd-funding platform to raise capital to fund a \$25 million gay and lesbian retirement village, proposed near Ballan in central Victoria.

In what may well be a world first, the crowd-funding model has been harnessed to drive the staged development of a 120-dwelling estate on 12.14 hectare block, 80 kilometres north-east of Melbourne.

"It will be the world's first retirement village through crowdfunding," said DomaCom chief executive Arthur Naoumidis. "Let alone being a gay, lesbian, bi and transgender, intersex retirement village: that's definitely a world first. It's great. It shows the versatility of our platform."

Already DomaCom is nearing the close of the first \$1.5 million stage that will secure land and then pursue rezoning. After a further two book-builds, it is envisaged between \$10 million to \$12 million will be raised to progress the land through the development approval process and then construction.

After that each townhouse will be sold down, with investors in the development collecting a return.

Even at the selling stage, Mr Naoumidis envisages properties will be

sold either through the direct market or by once again employing DomaCom's crowd-funding model platform.

The proposed Ballan development is called Linton Estate.

On a project website, its backers describe it as being the "world's first residential village for [the] gay, lesbian, bisexual, transgender, intersex community and like-minded people, with the flexibility to be a weekend retreat or a place to retire".

DomaCom is among a batch of early movers to introduce the crowd-funding model to the local property market. In the US and Europe the model is already generating billions of dollars in investment. "This is a global phenomenon. I know it's new, but it's coming," Mr Naoumidis said.

DomaCom grabbed headlines last year when it surged into the campaign to buy S. Kidman & Co, Australia's largest landholder. It eventually garnered \$58 million in pledges.

Separately DomaCom has raised \$10 million in crowd-funded capital. With only half that total invested so far, it has established a 13-asset mostly residential portfolio.

"It's the modern form of syndication, using the internet," said Mr Naoumidis. "Syndication doesn't have an online mechanism for strangers to come



The retirement village is proposed for a site near Ballan in central Victoria.

together. That's what crowd-funding is." The DomaCom platform is backed by the approvals required for a managed investment scheme, with a responsible

authority. Potential investors propose the property. If the interest is sufficient, DomaCom conducts due diligence and then opens up its platform.

SCA on short list

Credit Suisse analysts added Shopping Centres Australasia Property Group to its list of stocks it recommends being shorted. "We initiate a short position in SCP," Credit Suisse said that SCA was like a proxy for government bonds but as government bond yields rise than SCA becomes less attractive. The analyst Hasan Tevfik also said that over the longer term, SCA Property remained excessively exposed to Woolworths, which contributes half of the company's EBIT. "The risks are obvious and probably not discounted at current prices." SCA's chief financial officer Mark Fleming said [Credit Suisse] clearly don't understand our business model. SCA has had one of the highest total shareholder returns of all the real estate trusts. Our rent can only go up not backwards."

MATTHEW CRANSTON

Affordability falls

National housing affordability declined in the December 2015 quarter with the proportion of income required to meet loan repayments increasing to 32.4 per cent, according to the Adelaide Bank/REIA Housing Affordability Report. NSW had the worse decline with the proportion of income required to meet loan repayments rising to 39.4 per cent. The average loan size for first home buyers was 9.2 per cent than in last quarter of 2014. SU-LIN TAN

Quagliata joins IOF

Nicole Quagliata has been appointed as Investa Office Fund's assistant fund manager, taking over from Alex Abell who is leaving the company. Ms Quagliata has been working with IOF for three years as the senior fund analyst for IOF. "She has a deep understanding of IOF and its assets which will enable a seamless handover prior to Alex's departure in April," IOF fund manager Ming Long said.

MERCEDES RUEHL

Macquarie's LOGOS buys Brisbane port facility

Matthew Cranston

LOGOS Property Group, the logistics real estate fund that is being taken over by Macquarie Group and Canadian fund manager Ivanhoe Cambridge, has purchased a property at the Port of Brisbane for between \$60 million and \$65 million.

The group, which controls about \$2 billion in property in Australia and China, has bought a customised warehouse and logistics complex at 1-5 Bishop Drive, Fisherman's Island.

Comprising five existing warehouse office buildings, the site owned by IPS Logistics, also has vacant land attached that can cater for up to 30,000 sq m of further new accommodation.

IPS Logistics chief executive Steve Brown said he was pleased with the deal negotiated by Ray White's director of industrial transactions, Graham Norris. "The Logos partnership brings together many synergies focusing on innovative logistics solutions underpinned by unique development opportunities," Mr Brown said.

He said the property was also unsurpassed in terms of Australian port operations.

"Where else in an Australian port can the customer have their container collected and transported to 70,000 sq m of warehousing for unpacking and storage 500 metres from the wharf, then redelivered to Sydney or North Queensland without stopping at a traffic light?"

Logos, which was established in 2010, has been busy buying property across the country. Late last year it snapped up

the largest industrial land deal in Queensland paying about \$50 million for private investor Lyn Brazil's last strategic parcel on the Logan motorway.

It has also finalised a sale-and-leaseback deal to buy the 24-hectare Oxford Cold Storage site in Victoria for close to \$205 million.

The move by Macquarie to buy Logos has prompted comparisons with its role in helping develop the Goodman Group, which now manages \$30 billion of industrial property around the world.

Russian investors sell

A Cyprus-based syndicate of Russian investors has found a buyer for a \$35 million-plus suburban office tower at 2 Luton Lane, in Hawthorn, in Melbourne's inner east. The 5600 sq m property now in due diligence is being handled by Fitzroys Rob Harrington and Paul Burns. It is the second Melbourne divestment by the Russians, who sold a Moonee Ponds building occupied by the ATO for \$83 million just before Christmas. Adding interest to the Hawthorn sale, the Russian syndicate has just refinanced the property through a Liberman-family controlled finance firm. The asset was acquired two years ago for \$34 million. NICK LENAGHAN

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