Barings acquires A$ 94.1 million seed asset for its new A$1 billion+ industrial venture

Sydney, Australia, 30 November 2023

Barings, one of the world's largest diversified real estate investment managers, is pleased to announce it has acquired a prime, fully leased, industrial asset comprising two modern warehouses across 46,934 sqm gross lettable area (GLA) for A$ 94.1 million. The acquisition is the first seed asset for the new Barings and Rest industrial partnership seeking to procure a A$1 billion+ portfolio of value-add, core-plus, and develop to core industrial assets across Australia. Rest is one of Australia's largest profit-to-members superannuation funds.

Located at 2-30 Saintly Drive in the established core industrial precinct of Truganina in Western Melbourne within 18 km of the Melbourne central business district, the property attracts large-scale tenants due to its proximity to existing key road infrastructure. The property will also benefit from future infrastructure including the Westgate Tunnel Project and Outer Metropolitan Ring Road.

Major tenants occupying the estate include Catch, one of Australia's leading online retail businesses owned by Wesfarmers within the Kmart Group, and Effective Logistics, a specialised third-party logistics provider.

Barings, through its acquisition of Altis, has been investing in Australian real estate for 15 years and today has over A$6.3b Australian real estate AUM, with more than 49 real estate investments nationally, employing over 44 professionals across our Australian offices.

James King, Director – Investment Management at Barings said:

"Barings is excited to complete the acquisition of a high-quality asset on behalf of the venture. Notwithstanding the current economic environment, we remain attracted to industrial real estate in Australia on a long-term basis. Our ambition is to continue to seek out both development and value-add opportunities across the major metropolitan markets of Australia."

"Barings' capability is able to capitalise on opportunities across the entire industrial and logistics risk spectrum of stabilised and value-add assets, short and long-dated developments, and geographies across Australia."

Andrew Lill, Chief Investment Officer at Rest said:

"We believe increasing exposure to the industrial property sector by leveraging Barings' industrial expertise will benefit our members with the historically tight vacancy rates, sustained tenant demand, and strong long-term outlooks.

"The industrial investments made through the venture will further diversify Rest's property investments and improve investment outcomes for our members. Rest is excited to expand our relationship with Barings into the industrial property sector in Australia and generate investment opportunities like 2-30 Saintly Drive, Truganina."

Neva Courts, Director - Melbourne Real Estate at Barings said:

"The key characteristics which attracted us to this asset include the high-quality facility, strong holding income, positive supply and demand dynamic in the precinct, and attractive entry pricing. Our strategy is to focus on leasing initiatives to improve the income profile and targeted capex to expand the sustainable operations framework. This includes reducing all scopes of emissions and increasing access to renewable energy."

The transaction was brokered by Tony Iuliano of Cushman & Wakefield.

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Barings
Barings is a US$347+ billion* global investment manager sourcing differentiated opportunities and building long-term portfolios across public and private fixed income, real estate, and specialist equity markets. With investment professionals based in North America, Europe and Asia Pacific, the firm, a subsidiary of MassMutual, aims to serve its clients, communities and employees, and is committed to sustainable practices and responsible investment. Learn more at www.barings.com.

*As of 30 September 2023.

Rest
Established in 1988, Rest is one of Australia's largest profit-to-member superannuation funds, with more than 1.96 million members and around $75 billion in funds under management as at 30 June 2023.

Mention of issuers are not intended and should not be interpreted as recommendations to purchase, sell or hold securities of those issuers.

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