

Folkestone's Greg Paramor flags more funds

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By **Nick Lenaghan**

Property funds manager Folkestone will launch two new funds in coming months, raising around \$46 million in total, to back a hotel development in Sydney and a residential project in Melbourne.

Managing director Greg Paramor flagged the new funds as he reported a 6 per cent rise in the 2017 interim net profit to \$3.19 million.

Folkestone's funds management activity contributed to that result, with funds under management rising 23 per cent to \$1.2 billion in the past 12 months.

So too did Folkestone's balance sheet development activity over the first half.

Among its development initiatives, the Sydney-based player has a joint residential development project with ID_Land at Wollert on Melbourne's northern fringe.

Pre-sales began last November and the development of the area was given government approval in February.

The Folkestone joint venture will deliver 550 residential lots ultimately, with an end value of around \$137 million. The fund manager and its partner are now preparing to sell down an 80 per cent stake in the project into a development fund through a \$23.5 million raising.

Furnished Property raising

Folkestone is also pressing ahead with plans for a \$22.5 million raising for a hotel it is jointly developing with accommodation provider Furnished Property in Sydney's Green Square urban regeneration zone.

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The Folkestone Green Square Hotel Fund will be launched in the June quarter and will own the hotel long term.

"This is consistent with our strategy to secure quality investment opportunities that can be later sold down to Folkestone managed funds," Mr Paramor said of the upcoming raisings on Tuesday.

Folkestone's total funds management revenue was \$7.5 million, down 0.3 per cent on the 2016 first half result which had been boosted by a performance fee from the West Ryde Development Fund.

Seniors sector

Folkestone has moved into the retirement sector, establishing a new fund to acquire Watermark Castle Cove, a retirement living community on Sydney's lower north shore.

That fund's initial \$25.7 million offer closed over-subscribed and it now has a target fund raising of up to \$60 million to enable it to acquire further assets.

"Our entry into the seniors living sector is an extension of our strategy to expand our real estate related social infrastructure platform," Mr Paramor said.

Folkestone expects to pay a fully franked dividend of 2.625 cents per share for the full 2017 year, a 5 per cent rise on 2016.