

## **FOLKESTONE SECURES LAND PROJECT FOR NEW FUND**

Folkestone has secured a 49.9 per cent interest in a circa 251 lot residential land subdivision known as Rosewood in Plumpton (“Rosewood” or “Project”).

Rosewood is located within the Kororoit Precinct Structure Plan which was approved by the Victorian Government in February 2018 as a major new masterplanned suburb in Melbourne’s western growth corridor. Plumpton is located in the City of Melton, approximately 30 kilometres north-west of the Melbourne CBD and is ideally positioned immediately west of Caroline Springs. Rosewood was launched in May 2018, and already a number of pre-sales have been secured.

Folkestone’s 49.9 per cent interest in the Project will be held by the Folkestone Plumpton Development Fund. Folkestone will be seeking to raise \$16.5 million of which \$4.1 million will be provided by Folkestone (25 per cent interest in the Fund) and \$12.4 million will be raised from third party investors.

The Fund will have a forecast IRR of 16.0 per cent (pre-tax, post fees) and a forecast return on equity (pre-tax, post fees) of 30.0 per cent.

This is Folkestone’s fifth land sub-division project in Melbourne with ID\_Land, and the third to be put in a Folkestone managed fund.

Folkestone’s Managing Director, Mr Greg Paramor, said “Acquiring an interest in the Rosewood estate in Plumpton is consistent with our strategy of securing land sub-divisions in key structurally undersupplied growth corridors of Melbourne. Being able to acquire development ready land in a market where record population growth is driving solid demand for new housing allows Folkestone, and its partner ID\_Land, to deliver quality liveable and affordable communities to first home buyers and young families.

“We expect strong interest in the Fund’s capital raising from our investor base given the attractive forecast returns, the pre-sales we have achieved to date and its location in one of Australia’s fastest growing areas<sup>1</sup>” said Mr Paramor.

For further information:

**GREG PARAMOR AO**  
Managing Director  
Ph: 02 8667 2800

**BEN DODWELL**  
Head of Real Estate  
Ph: 02 8667 2884

**ADRIAN HARRINGTON**  
Head of Funds Management  
Ph: 02 8667 2882

### **About Folkestone**

Folkestone (ASX:FLK) is an ASX listed real estate funds manager and developer providing real estate wealth solutions. Folkestone’s funds management platform, with more than \$1.5 billion under management, offers listed and unlisted real estate funds to private clients and select institutional investors, while its on balance sheet activities focus on value-add and opportunistic (development) real estate investments. [www.folkestone.com.au](http://www.folkestone.com.au)

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<sup>1</sup> According to the latest ABS population figures for LGA’s (ABS Cat. 3218.0), the City of Melton was the 5<sup>th</sup> fast growing LGA in 2016/17 at 5.0%.