

REAL COMMERCIAL 21

Irongate snaps up facility for \$39m

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Real estate fund manager Irongate Group is bulking up its industrial and logistics platform with the \$39m acquisition of a manufacturing facility in the Sydney suburb of Glendenning.

The group bought two warehouses leased to Wire Industries, a leading Australian steel manufacturer, in Power Street, Glendenning, from the private Greenline Pty Ltd.

The deal locks in the group's status as one of Australia's most active industrial investors as the latest property was the sixth acquisition Irongate has completed in just nine months.

The group had unveiled a series of deals in February that showed it was emerging as a major industrial buyer.

Backed by offshore global investors, the industrial platform has grown to more than \$400m of industrial and logistics assets across NSW and Queensland.

Irongate now controls almost \$1.3bn of assets, including development projects such as Melbourne's Younghusband complex, which have an end value nearing \$3.75bn.

The most recent acquisition comprises two warehouses with a combined area of 11,189sq m on a site area of 20,058sq m. The property was acquired on a market yield of 6.6 per cent. It was sold via Colliers agents Matthew Flynn and Paul McGlynn.

Irongate remains focused on warehouses that are well located, can be acquired below replace-

ment cost and would benefit from its on-the-ground active asset management expertise.

The Glendenning asset is in one of Sydney's top industrial suburbs and was acquired significantly below land and replacement costs, and comes with access to high power supply which is becoming ever scarcer.

Irongate chief executive Graeme Katz said he saw no reason that the group could not continue to deploy in the asset class.

"We have been active in this market for 20 years and benefit from a strong team who is well connected on-the-ground," he said. "With a strong track record, we continue to maintain the support from some of the world's leading real estate investors. We don't take this support lightly and remain focused on continuing to service our partners."

It also has a strong balance sheet, via its major shareholder, the JSE-listed Burstone Group.

"This allows us to be a meaningful co-investor alongside all our partners," Mr Katz said.

Burstone Group chief executive Andrew Wooler confirmed his ongoing commitment to the Australian market.

"The Irongate business has continued to perform ahead of expectations, maintaining strong relationships with its core investor base while actively engaging with new capital partners," Mr Wooler said. "With the Australian market benefiting from its renowned stability, the performance of the Irongate business is turning out to be a blueprint for our business globally."