



Bouwinvest joins APG Australia student housing JV – Exclusive

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The Dutch investment manager has teamed up with APG for a new A\$150 million capital commitment to Scape Australia, the Australian student accommodation platform.

Dutch pension fund asset managers Bouwinvest and APG have committed A\$150 million (\$114 million; €103 million) to Scape Australia, the Australian student accommodation platform set up by APG in early 2015.

Bouwinvest and APG have each committed half of the new capital. This follows the A\$100 million commitment from the Chinese financial institution ICBCI in November 2015.

Tjarko Edzes, regional manager for Asia-Pacific at Bouwinvest, said: "We are excited to join the Scape Australia JV which we feel is uniquely positioned to benefit from the attractive fundamentals for the student accommodation sector in Australia."

The latest capital raise has grown the JV platform to A\$460 million, giving the student accommodation provider the capacity to undertake projects with a gross development value in excess of A\$1 billion. APG remains the largest shareholder with a 50 percent stake in the JV and it also owns a minority stake in Scape's Australian management company.

"Along with our existing partners APG and ICBCI we are now ideally positioned to turbo charge the delivery of our world class product in Australia and New Zealand. The sector in Australia is maturing rapidly and we continue to be encouraged by the scale of the opportunity in our markets. The sector remains years behind the UK & US despite being the leading education market in Asia," said Stephen Gaitanos, chief executive of Scape Australia.

The JV presently owns eight development sites in key student hubs across Sydney, Melbourne and Brisbane with plans to deliver over 4,000 bedrooms. The larger capital base will enable the JV to continue to execute on its robust pipeline of opportunities, with Scape close to securing its first development site in Auckland, New Zealand and exploring several other land parcels in Australian and New Zealand capital cities for development of its student accommodation and academic facilities.

"This helps us accelerate the roll-out as we are seeing lots of opportunities in the market. Having the larger capital commitment allows us to capitalize on those," Sachin Doshi, managing director & head of private real estate investments, Asia Pacific for APG, and a non-executive director of Scape Australia told PERE.

"There is a huge number of international students, particularly from China and India, that go to Australia to study each year and that number is only increasing. Australia is by far the most important global student destination in Asia-Pacific. In the UK about one in four students has access to a custom built student accommodation bed. In Australia that number is more like one in 13-14. The demand supply mismatch for student accommodation in Australia is huge. We really like that dynamic," he added.

APG and Scape Living, a student accommodation platform with roots in London, formed the partnership in January last year to develop, own and manage direct-let student accommodation facilities across Australia. The initial combined investment by the two partners was A\$220 million. It marked APG's foray into the student accommodation sector in the Asia-Pacific region.