

# Goldfields, IDA Property launch development fund

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**Larry Schlesinger** Reporter



Goldfields chief operating officer Lachie Thompson and managing director Marco Gattino.



Robbie Fallon: Sounding out investors over likely "attractive acquisition opportunities".

Melbourne developer Goldfields has partnered with investment house IDA Property Group and a wealthy local family to launch a \$100 million housing investment consortium.

The consortium will aim to deliver \$500 million worth of East Coast residential projects and capitalise on a looming housing undersupply expected to kick in from next year.

It is understood the three partners have seeded the GIDA Consortium with \$20 million of their own funds and are seeking \$80 million of external investment from an institutional backer.

Goldfields managing director Marco Gattino said the consortium would look to exploit "certain opportunities" in the market created by COVID-19 volatility.

"We have sites under due diligence and will transact soon," he said.

"Based on our pragmatic insights into the market and the opinions of agents and project marketing groups, we believe there will be a severe under supply of housing in 2022."

A May report by the Housing Industry Association forecast new housing starts to fall by 50 per cent in 2020, putting 500,000 construction jobs at risk.

Mr Gattino declined to name the family backing the consortium.

The GIDA Consortium would develop land subdivisions in Sydney and Melbourne and apartment projects in Sydney, Melbourne and Brisbane, he said. The investment partners would split the profits.

"Built-form projects take time so the works starts now," Mr Gattino said.

"We're aiming to begin our first project next year and deliver it in 2022."

Robbie Fallon, chief investment officer for IDA Property Group, said presentations to potential consortium investors had been well received.

"We anticipate investors will share our view that the negative market sentiment created by COVID-19 and its second-order effects will create attractive acquisition opportunities for experienced, well-capitalised local development businesses like GIDA Consortium," Mr Fallon said.

The consortium will operate separately from Goldfields' and IDA's respective businesses.

Among its projects, Goldfields is developing a \$300 million speculative office tower on Chapel Street in South Yarra. Last year it swooped on a 70-hectare greenfield site in Clyde North in the Melbourne's outer south-east in a deal valued at more than \$105 million.

IDA is a wholesale investment management business offering both equity and debt investments. It was founded by former real estate and banking lawyer Adam Kaye in 2010.

Mr Fallon said IDA had worked with Goldfields for 10 years as a project partner and financier and had developed strong relationships with the developer.

"We looked at the market and realised there was a fair bit of opportunity to come out of this volatility," he said.

He said by partnering with Goldfields, IDA would be in a position of strength heading into the next cycle.