

# Irongate back with \$2b in play

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**Exclusive**  
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Property editor

Irongate is back in the property game with backing from South African investment powerhouse Investec and a \$2 billion suite of development plays, through a management buyout of its platform from Charter Hall.

Previously dual-listed in Australia and Johannesburg, Irongate and its \$1.7 billion portfolio of office and industrial properties was taken private by Charter Hall and Dutch pension fund PGGM a year ago.

That portfolio included a group of five or so development projects, along with the management of an unlisted fund – the Irongate Templewater Australia Property Fund – which have been carved out after the initial privatisation was bedded down.

Led by property veteran Graeme Katz, who previously headed Irongate, the transaction involves the acquisition of its equity stake in the unlisted fund and the management rights.

Irongate hits the ground running, not only with a clutch of prominent projects and plenty of upside across three states but bringing with it some deep-pocketed backers. Among them is the Investec Property Fund, which has \$3.5 billion invested across South Africa and Western Europe, and a group of wealthy Hong Kong investors who have invested in the unlisted fund.

Also giving Irongate momentum are  
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its partnerships on individual projects, including Canadian investment giant Ivanhoe Cambridge.

"We were keen to go again because we had an existing platform," Mr Katz told *The Australian Financial Review*.

"We've maintained at least half of our team. And we have good capital partners, existing projects with good joint venture partners and a profitable business."

Irongate's portfolio includes the Younghusband project in Melbourne's inner west, a joint venture with builder and developer Built and Ivanhoe Cambridge that involves the redevelopment of a 122-year-old wool store warehouse into trendy office space on the city fringe.

Also in Melbourne's west, Irongate has teamed up with Frasers Property Australia, the local arm of the giant Singaporean property platform, on two housing projects, including the well-known Bradmill factory site in Yarraville where a \$1 billion development is planned.

In Adelaide, Irongate has prime position in the city's retail sector, where it controls Rundle Mall. That investment, also under redevelopment, is through a partnership with Fortius, a boutique property platform which last year was taken over by ASX-listed Growthpoint Properties Australia, another South African-backed player. Irongate has also teamed up with Built to develop a site in the Sydney CBD.

"It's not at the pointy end of the risk spectrum," Mr Katz said, describing the Irongate's portfolio of projects. "That's one of our strengths over the last 15 years: we've managed risk well."

Irongate started out listed on the Johannesburg exchange as a South African fund with Australian assets.

The Investec Australia Property Fund, as it was known then, eventually obtained a dual listing in Australia in 2019 after its portfolio passed the critical \$1 billion mark.

"Investors who joined us at the beginning of our listed journey achieved a return of well over 200 per cent," Mr Katz said. "We ranked as the No. 1-performing REIT on the Johannesburg Stock Exchange and the third-best among all our peers on the ASX."

### The team is excited to go again and we're pleased with the positive response from investors.

Graeme Katz,  
Irongate chief executive

Under its revived format, Irongate brings with it about \$160 million in equity in the Templewater fund.

In total, factoring in support from its powerful backers, Irongate has about \$450 million in firepower.

"Investec Property Fund will provide the capital backing, the balance sheet, to either seed new funds or seed new investments," Mr Katz said.

Its focus would remain real estate, managing third-party capital through a range of unlisted funds and single asset mandates, he said.

Irongate is already talking to a institutional investors across Australia, South-East Asia and South Africa who can fund its growth across a range of property classes in Australia.

"Over the past 15 years, we've built a track record for working challenging assets and unlocking value – all through different cycles," Mr Katz said.

"The team is excited to go again, and we're pleased with the positive response from investors. We have capital available to deploy and a fund already launched."