

# REAL COMMERCIAL

## Big-buying Irongate swings in behind the industrial and logistics sector

BEN WILMOT

Real estate fund manager Irongate Group is expanding its industrial and logistics platform and has made a series of acquisitions to take its holdings in the sector to about \$350m.

The company has been on the acquisition trail across NSW and Queensland and believes that its focus on infill properties in key areas of large cities will pay off in this cycle.

The industrial acquisitions are partly a "back-to-the-future"

move by Irongate after it exited the sector during the last market peak. In 2022, Irongate's management team delivered on the sale of the Irongate listed-REIT to Charter Hall.

The trust included 37 office and industrial assets valued at \$1.7bn and, when sold, returns to investors came in at close to 300 per cent over the trust's nine-year life.

Irongate has now rapidly grown since its management team undertook a buyout of the funds management business, with assets under management now close to \$750m. This equity is commit-

ted to projects with a forecast end value of more than \$3.5bn, including the group's Youngusband and Yarraville developments in Melbourne. Institutional investors have provided ongoing commitments to grow the portfolio.

Irongate chief executive Graeme Katz said his team would seek to further grow its industrial platform as well as invest in the rebounding office market.

"This acquisition reflects our confidence in the long-term prospects of the industrial market in Australia. The sector has consistently shown its strength, and we



Irongate's recent purchases include a 9.7ha site on South Pine Road in Brendale

see further potential for growth, particularly for investors who are able to identify undervalued assets in strategic locations," Mr Katz

said. "Likewise, we are seeing the rebound in the office market, particularly the core Sydney CBD. We have previously timed our

entrance and exit into this market well and see signs pointing to a new growth phase."

Recent purchases include two Queensland sites bought from ISPT for about \$140m in deals brokered by JLL and CBRE. The first was a 9.7ha site on South Pine Road in Brendale. The 31,738sq m complex is leased to VIP Plastic Packaging & Modern Star, with a 3.7-year weighted average lease expiry.

Irongate also picked up the Interchange Industrial Estate in Narangba. The 10ha site has facilities that span 34,382sq m that are

leased to Bunnings, Apex Building Products, Cleanaway, Liquid Specialty Beverages, Avante, Merlin Marine & Leisure, and T-Pac Lumber with a 4.9-year WALE.

It also bought a 4ha site on Williamson Road in the Sydney suburb of Ingleburn from EG for about \$62m via Colliers. It has an 18,564sq m complex leased to ABBE and SPS with a 2.9-year WALE. It also picked up a cold storage facility on Zeleny Road in Minchinbury. Irongate bought the facility on a fund though basis and works on the 10,190sq m state-of-the-art cold storage facility that

will have an end value of about \$75m when completed. It was sold by Colliers on behalf of Barber Property Group and Minus 1 Refrigerated Logistics.

These plays, along with an earlier acquisition in Smithfield, are in keeping with Irongate's active asset management style. It believes that buying up infill industrial real estate in the country's tightest markets, where there is strong underlying property fundamentals that can benefit from a hands-on approach to property management, will deliver high returns through the cycle.