

Media Release

EMBARGOED UNTIL 10AM, TUESDAY, 23 APRIL 2024

Boost for Melbourne housing market as cranes roll in for \$320m of construction

Aware Real Estate will add more than 700 homes to Melbourne’s housing market across two major new developments in the inner and northern suburbs, adding to the city’s supply of rental accommodation at a time of soaring demand and critical need.

The property group has today launched large-scale housing developments at Queens Road, in Melbourne’s inner south, and Preston in the city’s north, marking a significant expansion to its role as one of the largest build-to-rent (BTR) developers in Australia.

With a construction value of \$320 million, the two projects will provide 726 dwellings, lifting the number of homes in Aware Real Estate’s Melbourne portfolio to more than 930 across four sites. Aware Real Estate is owned by industry superannuation fund Aware Super – an expert investor in global residential property and one of the first major developers of BTR housing in Australia.

The launch of the projects come as Melbourne’s rental vacancy rate sits at a record low, below 1 per cent¹, with a surge in migration helping to fuel intense demand.

Aware Real Estate Chief Executive Michelle McNally said: “This is a city crying out for more housing and we’re answering the call. Our projects are in areas of strong demand, supported by important infrastructure, key transport links and sought-after amenities.

“At all our sites we aim to foster connected communities, attracting a broad range of residents to create great places for people to live, and these developments will be no exception.”

Victorian Minister for Planning Sonya Kilkenny said: “Melbourne is the undisputed build-to-rent capital of Australia thanks to our leading reforms and we’ll continue to pull every lever we can to enable 800,000 homes of all kinds to be built over the next decade.

“We know we need more homes built where people want to live and that’s exactly what Aware Real Estate are delivering – building hundreds of rental homes close to jobs, transport, schools and essential services.”

Aware Super Chief Executive Deanne Stewart said: “Melbourne is one of Australia’s great population magnets, and indeed, Greater Melbourne is on track to be Australia’s largest city inside a decade – home to more than 6 million people².

¹ [Vacancy rates: February 2024 \(domain.com.au\)](https://www.domain.com.au)

² [Melbourne set to become Australia’s largest city - Invest Victoria](https://www.invest.vic.gov.au)

“Housing is at the very core of the community’s needs and while no one investor can single-handedly deliver the number of homes Melbourne will require over the coming decade, we’re pleased we can be part of the solution with investments that fit squarely with our objective of delivering strong long-term returns for our members. An added benefit is that these projects have such a positive impact on the Victorian community we serve.”

Construction is now underway at the Preston and Queens Road developments, which are earmarked to provide entirely BTR housing. They are expected to be complete in early and mid-2026 respectively.

The Queens Road development, overlooking Albert Park, is less than 4km from the CBD, and a short walk from The Alfred hospital and the forthcoming Anzac Station, part of the Metro Tunnel rail project due to open next year. The development will have 434 apartments and an abundance of resident amenities including a gym, swimming pool, spa and sauna, resident lounge/co-working space, landscaped central courtyard and rooftop terrace, both with BBQ facilities, and electric vehicle charging facilities. The project has a projected construction cost of \$200 million.

The Preston project is less than 8km from the CBD and the Northland shopping centre. The site, a short walk from Thornbury Station and on the Plenty Road tramline, will have 285 quality apartments, together with seven townhouses. Amenities for residents will include a gym, co-working space, resident lounge, landscaped central courtyard, rooftop terrace with BBQ facilities and electric vehicle charging facilities. It has a projected construction value of \$120 million.

“Across Sydney, Melbourne, Perth and Canberra, we already have 10 operational sites in our residential portfolio and that number will keep growing,” Ms McNally said. “Along with the Preston and Queens Road developments and our recently launched project at Zetland in inner Sydney, we have another two sites in planning and we expect to have more than 2,000 BTR apartments in the national portfolio within five years.”

Barings’ real estate investment management team – a long-running partner of Aware Super and Aware Real Estate after Barings acquired Altis Property Partners in 2022 – has a key role at both sites as development manager.

Barings Head of Asia Pacific Real Estate Alastair Wright said: “We’re delighted to be supporting Aware Real Estate in delivering these major new residential projects. Our relationship with Aware Super goes back more than a decade, and we’ll take great pride in continuing that association as we help bring quality new apartments to Melbourne.”

– Ends –

Media enquiries:

Peter Taylor, External Communications Specialist, 0487 104 313, media@aware.com.au

About us:

Aware Super is one of Australia's top-performing and largest industry super funds with \$175 billion FUM. We always remember whose money it is and whose future we're looking after. It's why we invest with the aim to achieve strong returns over the long term for more than 1 million members.

As one of the top 50 institutional investors globally, we typically take an active management approach across alternative assets, including infrastructure, real estate and private equity, and additionally allocate to liquid markets.

Visit [aware.com.au](https://www.aware.com.au)

About Aware Real Estate:

Aware Real Estate was launched in 2022 to actively manage Aware Super's directly-owned Australian living, industrial, office and mixed-use portfolio. With c.\$2.5 billion Assets Under Management (AUM), Aware Real Estate aims to be a market-leading property platform hosting \$7 billion in assets within five years.

Barings has been foundational in establishing the Aware Real Estate portfolio, and as our development partner, has a strong track record in delivering quality projects.

For more information about Aware Real Estate, please visit [awarerealestate.com.au](https://www.awarerealestate.com.au) or follow us on LinkedIn.

About Barings

Barings is a \$US406+ billion* global investment manager sourcing differentiated opportunities and building long-term portfolios across public and private fixed income, real estate, and specialist equity markets. With investment professionals based in North America, Europe and Asia Pacific, the firm, a subsidiary of MassMutual, aims to serve its clients, communities and employees, and is committed to sustainable practices and responsible investment. Learn more at [barings.com](https://www.bairings.com).

*As of 31 March 2023.