

AWARE SUPER AND DELANCEY FORM 1 BILLION REAL ESTATE INVESTMENT PARTNERSHIP



25/10/24

Aware Super has formed a strategic partnership with Delancey Real Estate, a leading UK investment, asset and development manager to invest up to an initial £1 billion in UK property.

The partnership has been established to invest into UK real estate by identifying sectors and assets to deliver attractive risk-adjusted returns to Aware Super's 1.1 million members.

Its initial focus will be on Central London office properties in prime locations, capitalising on strong demand from investors and occupiers for Grade A assets amid significant structural and regulatory change in the market and its repricing.

A slowdown in new office developments, catalysed by the COVID 19 pandemic, has created a scarcity of high-quality office space. There is also strong demand from major corporate occupiers to lease the most sustainable and quality offices.

Alongside investments in prime Central London offices, the partnership is also open to exploring opportunities in high-quality, undervalued UK retail, logistics, and mixed-use properties, recognising the potential for attractive cyclical returns in these sectors as well.

Sustainability will be a central focus on the strategy, with the partnership's decarbonisation agenda integrated at every stage of the investment lifecycle – from acquisition through to management and divestment.

The partnership has the potential to acquire stabilised assets, fund development projects and assist with recapitalisations of existing capital structures. Single asset, portfolio and corporate acquisitions would all be considered.

Aware Super already owns a 22% stake in Get Living, the UK's leading owner and operator of large-scale build-to-rent neighbourhoods, which was founded by Delancey.

In addition to sourcing opportunities for the partnership with Delancey, Aware Super will continue to source other direct investments as it builds its European property portfolio.

For press enquiries, please contact: media@delancey.com

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Jamie Ritblat
Founder and Chairman
Delancey

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Aware Super Head of International and Deputy Chief Investment Officer **Damien Webb** said: “Since opening our first international office in London in November 2023 we have been encouraged by the growing strength of the UK economy.

“By originating exciting deals across real estate, infrastructure and private equity we are building a balanced portfolio of resilient assets which we anticipate delivering strong returns for our 1.1 million members back in Australia.”

Jamie Ritblat, Founder and Chairman of Delancey, said “Expanding our relationship with Aware Super strengthens our partnership, combining the expertise and track records of both firms, with the capital and capability to execute. This underlines our status as a trusted partner for institutional investors looking to access opportunities in UK real estate.”

“Amid asset repricing driven by interest rate and regulatory changes, we see an attractive entry point in a weakened office market. Focus will start with prime Central London offices to create a liquid, sustainable, and resilient portfolio, with investments in retail and logistics sectors in prime UK locations under consideration.”

Aware Super Head of Property **Alek Misev** said: “A key theme of our global real estate strategy is anticipating future trends and making counter-cyclical investments. This has reaped strong rewards and we believe that under-valued Central London offices also fit this profile.”

Aware Super Senior Investment Director Property **Mathieu Elshout** said: “There is a sharp supply to demand imbalance in the London office market which is creating an unprecedented flight to quality for high quality office space in the best locations and with compelling sustainability credentials.

“With the UK property market having re-priced more quickly than others, this provides an exciting window of opportunity for Aware Super to invest in quality, sustainable Central London office real estate which will deliver strong risk-adjusted returns to our members.”

Aware Super’s allocation to the partnership will take its investment in the United Kingdom to more than £2 billion following a commitment to invest £5.25 billion in the UK and continental Europe over five years after the opening of a London office in November 2023.

This investment drive overall is targeted at real estate, infrastructure and private equity opportunities. The Fund recently announced investments into UK’s leading post-transition green energy major Octopus Energy and London-headquartered bandwidth and data centre connectivity leader euNetworks.

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Aware Super

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