

## **PRO-INVEST GROUP SET TO ENTER CO-LIVING WITH HOSPITALITY BASED RESIDENTIAL MODEL**

*The company aims to bring 2000 units to market in the first phase of development.*

Sydney, Australia, 27 February 2024: [Pro-invest Group](#), a prominent real estate asset manager and investment firm, is entering the residential market with its new Flexible Living model, developed to capture the extensive potential of Co-living across Australia. The company is set to own and operate approximately 2,000 apartments across ten assets in its first tranche of development; and anticipates scaling it to the size of their current hotel business (circa 6,000 keys).

Led by industry veteran, Ronald Stephen Barrott, Pro-invest Group have been an active player in hospitality investment and operations around the world for over three decades. They now manage one of the largest, and most sustainable, operating platforms in Australia, with 32 assets (6,000 keys) open and in development across all major markets, and AUD\$3 billion of assets under management.

Pro-Invest Group's integrated platform generates value by blending development, operations, and active asset management. Experts in new build construction and conversions of hotel and office assets, the company's ability to manage the full life cycle of projects makes them a unique proposition in the Australian market.

The seamless integration of hospitality in residential living is gaining momentum as property developers and investors acknowledge the immense value of infusing hospitality into residential projects. Pro-invest Group's Flexible Living model is rooted in their background as a hospitality real estate leader, with every aspect of their residential offerings, from design, amenities, and personalised services, reflecting the hallmarks of their hospitality heritage.

Now, with their Flexible Living model, they are actively pursuing Co-living to maximise returns for investors in this sector. These opportunities will focus on the conversion of existing assets – predominantly hotels - of up to 200 units, with new-builds considered where appropriate. With decades of expertise in upgrading, repurposing and redeveloping hotel and office buildings around the world, the company is well-equipped to maximise conversion opportunities. This includes identifying underperforming hotel assets that can be quickly and efficiently reimaged and repositioned by Pro-invest's in-house development team; while Pro-invest's hotel management business maximise yield from the asset as planning and preliminary works are undertaken.

Based in CBD and suburban locations these Co-living properties will attract a broad cross-section of tenants looking for smaller, self-contained studio and one-bed apartments, with shared community spaces and flexible rental options. This includes short-term serviced apartment options and longer-term rental leases.

**Ronald Stephen Barrott, Chairman of Pro-invest Group** said *"Our 'Flexible Living' model redefines what 'home' means in the modern era. We recognise that the growing number of renters today desire convenience, quality, and the hotel-like amenities and services that have long been associated with hospitality. Pro-invest Group's expertise in managing hotels and offices uniquely positions us to meet these evolving expectations, creating not just residences but the next generation of living experiences. All designed to maximise the compelling investment opportunity at play in Australia given the market size and dynamics."*

## The Booming Residential Market in Australia Meets Needs and Wants

Australia's residential market is in a state of flux, driven by persistent affordability challenges and limited availability\*, resulting in low vacancy rates and rent increases of up to 14% in Sydney, Melbourne, and Brisbane<sup>1</sup>. This convergence of issues has given rise to a growing number of Co-living investment opportunities, which have long been a successful and dominant part of many established rental markets including the US and UK. The next generation of companies set to succeed in this segment are those that excel in property development and resident retention and satisfaction.

## Consumers' Growing Appetite for a Hospitality Approach

Investors and operators with hospitality experience have a unique advantage in catering to the evolving consumer expectations of "branded living" and the growing demand for service-oriented residences which include concierge, housekeeping, maintenance, pet services, fitness centres, communal and working spaces, restaurants, bars and entertainment facilities - all core hallmarks of the hospitality industry.

Pro-Invest Group is harnessing its expertise to create and manage residential properties that provide a holistic living experience including:

- **Community Building:** Fostering a sense of belonging, connection and community among residents that leads to higher tenant retention and a more vibrant living environment.
- **Personalised Services:** The wide-ranging availability of concierge and front desk type services at your fingertips. Providing residents tailored solutions to enhance their quality of life, all enabled by technology.
- **Amenities and Facilities:** From wellness facilities, retail partnerships, branded restaurants, and bar venues, to loyalty programmes and social spaces, residences with these features attract tenants, increases rental prices, and enhances overall satisfaction.
- **Design-led:** Inviting and aesthetically pleasing spaces focused on ambiance, functionality, and comfort. Environments where residents can truly thrive.
- **Flexibility and Adaptability:** Flexibility in lease terms and accommodation options caters to a diverse tenant base. 'All-inclusive' options provide a new, hassle-free way for residents to enjoy a wide range of services and amenities without multiple bills and arrangements.

The company's well-established approach to ESG will be embedded in all developments. This is critical to align with evolving consumer preferences for sustainable and responsible living. Moreover, it provides investors with confidence that they not only meet but, where appropriate, exceed Government requirements in this space, leading to higher long-term returns.

Pro-Invest Group's unique position as a real estate private equity firm with a strong foundation in hospitality places them at the forefront of harnessing the opportunities in the market and shaping the future of residential real estate in Australia.

-ENDS-

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### Notes to Editors:

*\*Median home prices have surged by over 200% in two decades<sup>ii</sup>, while median income has grown by only 53%<sup>iii</sup>. Additionally, completed units have fallen by nearly 70% since 2017<sup>iv</sup>, and development approvals have dropped significantly<sup>v</sup>.*

### Pro-invest Group:

Established in 2010, Pro-invest Group is an investment firm focusing on living/ operational asset classes within Private Equity Real Estate on behalf of global institutional investors across Europe, Middle East and the APAC region.

Pro-invest Group manages c. AUD\$3 billion through a combination of discretionary funds, joint ventures, and managed accounts. Pro-invest Group's integrated platform allows for a proven value-add investment approach along the entire value chain from arranging funding through to repositioning/(re)developing, operating and asset managing individual assets as well as portfolios. Pro-invest Group assets include 32 hotels (c.6,000 rooms) in Australia and New Zealand, in addition to commercial and mixed-use properties.

Having established itself as a management platform in Australasia, the Pro-invest Group London office was established to focus on growth in the UK and Europe. Simultaneously Pro-invest Group are raising a third value-add fund of A\$500 million for opportunistic investment in Asia-Pacific.

Further information found here [www.proinvestgroup.com](http://www.proinvestgroup.com)

### Sources

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<sup>i</sup> SQM Research, *Vacancy Rates 08.2023*; Mirvac, *Living Sectors, 10.2023*.

<sup>ii</sup> Knight Frank, *Breaking the Shackles: The Rise of BTR, 09.2023*

<sup>iii</sup> Knight Frank, *Breaking the Shackles: The Rise of BTR, 09.2023*

<sup>iv</sup> ABS, *Centre for Population, Population Estimate 2022, 12.2022*; *Budget 2023-24 Projection, 05.2023*; Charter Keck Cramer: *Brisbane, Melbourne, Sydney, 06.2023*.

<sup>v</sup> Australian Bureau of Statistics, *Building Approvals, 08.2023*.