

Very private Villawood's public plan

Mathew Dunckley

The private Victorian developer Villawood Properties has launched an unlisted \$30 million residential development fund and flagged a potential public listing.

Villawood joint executive director Rory Costelloe said a prospectus had been lodged with the corporate regulator following the company's receipt of a financial services licence.

The fund aimed to raise \$18 million from smaller investors with a potential for a \$10 million oversubscription. Mr Costelloe said a further \$2 million had been co-invested in the fund by interests associated Villawood.

The prospectus does not specify expected dividends but said the fund would only take on projects where the forecast returns exceeded 15 per cent.

The fund's initial investments would be in Villawood developments at Bayswater and Doreen in Melbourne's east and north respectively.

"We have been running the company with a fairly rigorous corporate structure should we wish to list in the future . . . we will have a solid performance record," Mr Costelloe said.

"This is a test of our reputation. We will start with a smaller fund, set ourselves up with a track record and go from there."

The company had recently announced a joint-venture with the Industry Superannuation Property Trust but Mr Costelloe said it was desirable to involve smaller investors along with the deep-pocketed institutions that would still feature in the company's major projects.

"Villawood has grown over the past 10 years from a small group of related development companies supported by a loyal base of private Bendigo investors including friends, associates and family members of employees," he said.