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**— Street Talk**

# Heavyweights anchor Conscious IM's \$200m housing fund

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Conscious Investment Management, founded by former Goldman Sachs Australia bankers, has ruled off a first close for its \$200 million social housing fund, securing backing from the likes of Canberra Airports Rich Lister Terry Snow.

The CIM Social Housing Fund 2 has locked in \$50 million of commitments, and is aiming to shut the books by the end of March. The fund would mirror the strategy of its predecessor, which raised \$97 million and had ANZ Bank as its debt financier.



Conscious IM's CIO Matt Tominc, executive chairman Adam Gregory, director Casey Taylor and adviser John White. **Eamon Gallagher**

The new fund is cornerstoned by Conscious' long-time backer, the Paul Ramsay Foundation, the philanthropic vehicle set up by ASX-listed Ramsay Healthcare's founder and now administered by his estate. Among those who wrote cheques were Ramsay chairman Michael Siddle and Snow's namesake foundations, via Australian Impact Investments.

Co-founder and chief investment officer Matthew Tominc declined to comment on the new fund's target returns, but said they were comparable to core-property funds and in particular, social infrastructure strategies where the income is largely underwritten by the government and offers low vacancy risk given housing supply issues. That implies returns of 8 to 12 per cent a year.

The 12-year closed-ended fund would invest across apartments and housing for marginalised Australians who are priced out of the rental market. It has three areas of focus: social housing (where tenants pay no more than a slice of their income as rent, for example the statutory limit is 30 per cent in Victoria), affordable housing (where rent is capped at a circa 80 per cent discount to market rates) and disability housing (NDIS-funded housing for people with acute disabilities).

Under a typical investment, Conscious buys the apartment using equity from the fund and debt from a lender; a community housing provider vets and allocates tenants in need; and the state government subsidises the tenant's rent. Conscious holds the apartments for a 10-year period, at the end of which it has to return the asset to the government or can sell it – depending on individual investments.

At June 30, more than half of the tenants living in properties funded out of the Fund I were at least 50 years old, while 68 per cent were women and 64 per cent were single. They have often faced homelessness, domestic violence or are on low incomes.

## **Doubling total placements**

“The new fund is about partnering with community housing programs and their knowledge to fund the right stock,” Tominc said, adding that in many parts of the country, government waiting lists for people facing homelessness are over 10 years long.

He said that Fund 2 is targeting 800 placements across apartments and houses – which is double Fund 1's total.

In Victoria, Conscious was the first-mover in private capital investment in social housing back in 2019. The sector has since drawn the attention of several players including Federation Asset Management, Barwon Investment Partners and AustralianSuper-backed Super Housing Partnerships.

Before co-founding Conscious four years ago, Tominc worked in M&A advisory at Goldman Sachs Australia and left to join ex-Swisse Vitamins' boss Radek Sali's family office Light Warrior. He is joined by ex-Goldman colleagues Alex Debney and Adam Gregory, who also works at Sali's family office and chairs the Conscious board.

The firm's advisory lineup includes ex-JBWere CIO Giselle Roux and John White, who was previously a senior managing director at \$US51 billion (\$77 billion) real estate investor Heitman.

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