

## Early learning property trust Folkestone a smart bet for investors

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Childcare is growing in Australia due to the rising cost of living and real estate, with regulated childcare part of a major platform that supports young families with higher income needs.

There are more than 7,000 childcare centres in Australia. As the country's largest real estate trust investing in early learning properties within Australia and New Zealand, Folkestone Education Trust (FET) owns more than 400 centres and is now Australia's leading childcare developer.

With A\$829.1 million (HK\$5.14 billion) total assets under management, FET has a portfolio of 402 early learning properties with eight- to 15-year leases and up to 30 new centres in the pipeline this year. The trust ensures the education of children under five years old and the increase of the country's labour force while delivering secure, long-term cash flows with relatively predictable returns for investors.

"Childcare is integral to the Australian economy. Without it, the disruption to business and households would be significant. FET is very well-positioned to capture that – we've got the right components of government support, high educational standards, regulations and high barriers to entry," says Nick Anagnostou, CEO for social infrastructure funds.

"FET is a predictable vehicle with a simple business model that should continue to provide good returns year-on-year. That's why the register is tight – people just don't really want to sell their units."

FET's tenants include Australia's largest day care centre operators such as Goodstart Early Learning, Only About Children and Think Childcare. With a pipeline of more than A\$120 million in upcoming developments, FET has built a strong development business. Its first pre-fabricated childcare centre in South Morang, Melbourne, opened in July this year – just six months after the land was purchased.

"Our culture is investor-centric and every decision we make is guided by a very stringent governance platform," Anagnostou says. "Development is key to enhancing our long-term returns. We're growing at over three times the speed of our competitor and could be growing faster, but we're selective and this adds quality to the portfolio."