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# Aura Group invest in Lannock the strata lender – hot property in housing boom



The team at Aura Group invests in strata lender, Lannock Supplied



by Su-Lin Tan

Boutique private equity and investment firm Aura Group has invested \$5.5 million in Lannock Strata Finance, a lender to housing strata corporations.

The housing boom has led to the growth of ancillary businesses such as Lannock and the emergence of disruptive property technology companies, which big businesses are looking to harness.

Lannock provides debt funding to owner corporations and body corporates for reparation and maintenance costs, which commonly rely on an owners' sinking fund or special levies.

The company, which has Macquarie Bank as its main competitor, said strata funding is better because it takes years to accumulate a sinking fund, which lies dormant in a bank account, and levies are forced upon apartment owners that are often time consuming to collect.

As apartment ownership grows, evidenced by the large number of high-density urban developments in Sydney and Melbourne in the last few years, the demand for efficient strata finance would also increase, Lannock and Aura Group said.

"Lannock is a true leader in an infant and niche market. Its lending products have the potential to truly disrupt the way strata corporations fund capital and extraordinary

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\$255,000 - \$694,100 (excl. GST)



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expenses in the future. Many property owners have experienced the pain of being hit with expensive special levies in the past and were never offered an alternative funding option," Aura Group managing director Eric Chan said.

Aura Group, through its Aura Special Opportunities Fund V will join the company and its board as one of its major shareholders, alongside strata manager, Dynamic Property Services' Wally Patterson.

The board includes former chairman of AMP Bank Limited, David Morris and founder of Lannock, former banking executive Paul Morton.

Other recent potential acquisitions include [online property and software business Onthehouse Holdings, which received a pre-Christmas unsolicited and conditional takeover offer](#) from a consortium of investors led by Macquarie and including rival CoreLogic RP Data Australia and Onthehouse directors Michael Dempsey and Daniel Dempsey.

[Onthehouse has been looking for a joint venture to take over its unprofitable online services.](#)

Property advisory and investment firm KordaMentha Investments has also diversified from its traditional restructuring business to invest more than half of the firm's revenue in technology, data analytics, property and their corporate advisory business, 333 Capital.

It recently signed a subscription agreement to buy 10 to 12.5 per cent of another online services company, BuyMyPlace.com.au after it lists in February.

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