

## Smorgon, Wingate buy into Hub

**INVESTMENT:** A branch of the billionaire Smorgon Family has teamed with private Melbourne-based investment group Wingate to make a multi-million-dollar investment in the nation's largest private coworking facility provider known as Hub Australia.

Barry Smorgon's Sandbar Investments, which is run by his son Darren, has teamed with Wingate and string of wealthy investors, including Phillip Prendergast, to invest in the company and take an active role in Hub's growth strategy.

Darren Smorgon will become the chairman of Hub Australia as part of the transaction.

"We are very impressed with Brad Krauskopf's leadership and vision for Hub Australia and are excited to assist Brad and his growing team to create the most outstanding premium coworking spaces in Australia," Mr Smorgon said.

The vision of Sandbar, established last year following the \$80 million sale of Barry Smorgon's packaging business Jalco to Raphael Geminder's Pact Group, is to have a portfolio of investee companies where the family office has a shareholding and a position on the board.

Sandbar's first big private equity play has been an investment in digital advertising company Medical Channel.

Hub has more than 10,000sq m of co-working space in its national portfolio. Industry experts predict flexible workspaces will account for 30 per cent of corporate real estate by 2030, driven by the demands of millennials. Mr Krauskopf, Hub's CEO and founder, said the partnership with Wingate and Sandbar showed the strength of



**Brad Krauskopf**

the Australian coworking sector, that was once considered only a domain of small business and start-ups.

He said the major adopters over the past few years had been large businesses recognising the benefits of coworking including increased flexibility: flexible, cheap, appealing workspaces.

Last year, Microsoft announced that 70 per cent of its New York sales force was shifting to coworking sites around Manhattan, and PwC has been projecting potential savings of \$850m by moving its people to coworking arrangements.

Kevin Wunsh, managing director of Wingate Private Equity, said the traditional office model was changing. "The changing nature of work, rise of the sharing economy, technology-led workforce mobility and changing workforce demographics are key drivers in the shift towards a more flexible, coworking office model," he said. "We expect this trend continue across Australia over the next few years."

Wingate has become an investment house of choice for a string of high-net-worths, family offices and institutions across its four arms of funds management, consumer finance, property lending and private equity.

**DAMON KITNEY**