

RF Corval Property Fund Acquisition Announcement

RF Corval is pleased to announce acquisitions, via sale and leaseback, two key properties located in Wyong and Girraween.

Investment Overview

Wyong and Girraween

Via its interest in the RF Corval Critical Assets Fund, the RF Corval Property Fund previously acquired an interest in a poultry business and egg production farm network (four asset portfolio) in December 2023. From this initial acquisition a strong relationship with this poultry business has been established. This has assisted in now agreeing an acquisition, via sale and leaseback, a second tranche of properties, two key properties located in Girraween and Wyong.

Combined the two properties provide a compelling opportunity to increase the Fund’s exposure to the defensive poultry industry, providing a blended initial distribution of 6% per annum underpinned by secure long-term leases to a strong covenant that is well-known to both RF Corval and the Fund. It is estimated the investment will deliver an 11-12% equity IRR.

Location	Wyong	Girraween
Sector	Agricultural	Agricultural
Interest acquired	100%	20%
Initial property yield	7.00%	5.70%
Annual rental increases	3%	3%
Occupancy	100%	100%
Lease term (triple net)*	25 years	25 years

*All capex and outgoings are paid by the tenant.



↑ Wyong



↑ Girraween

Investment Strategy



Defensive Food Sector

Critical nature of underlying real estate

High replacement costs



Long Term Lease

25 year triple net lease with 3% fixed annual reviews



High Quality Tenant

Has been in operation for many generations



Attractive Acquisition Metrics

7% Core cap rate for Wyong Property

RF Corval has a strong track record of establishing long-term relationships with businesses and acquiring real estate via sale and leaseback transactions. Below are some of the key attributes that drive this investment.

Transaction & Lease Structure

RF Corval considers both properties to have been acquired on attractive initial yields, with strong lease terms, being triple net leases, for long terms of 25 years and with 3% fixed annual escalations. Taking an NPV of the secured cashflow generates values that are higher than acquisition prices paid.

Underlying Real Estate

The underlying land value for Girraween has been assessed at over 90% of the agreed purchase price and 40% for Wyong. Further to this, the replacement cost of both properties is well in excess of the acquisition prices. Both properties play a key role for the tenant and their operations in the poultry industry.

Sector Thematics

The investment provides exposure to the poultry sector which benefits from consistent, somewhat inelastic demand for chicken meat. The tenant is a fourth-generation business within this sector and occupies a commanding presence in the NSW market.





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