

Corval BTP Trust

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The Corval BTP Trust (Trust) intends to acquire a portfolio of seven properties located in the Brisbane Technology Park, Eight Mile Plains (Portfolio).

The Brisbane Technology Park is a strong performing business park that was established in 1987 as a Queensland Government initiative to foster the growth and collaboration of knowledge-based industries. Today it houses over 200 tenants in the life sciences, medical, technology, construction and government sectors. Tenants include Johnson & Johnson, Woolworths, Anglicare, Bayer, Toshiba and Queensland Government tenants.

The Brisbane office market is currently performing strongly, with relatively robust demand and constrained supply due to significant construction costs. Within the overall Brisbane market, the Brisbane Technology Park has the lowest vacancy of all office sub-markets at 2.8%.

The Portfolio comprises mostly two to three level business park buildings, providing good quality office space, with a significant provision of parking. The Portfolio also provides space for other uses including life science/laboratories, warehousing, childcare, café and a vacant parcel of land. Corval has identified a number of opportunities to drive value across the Portfolio and intends to execute a focused value-add strategy at each individual property.

Summary

Property sector	Office
Risk profile	Core-plus
Gross lettable area (GLA)	24,265 sqm
Purchase price	\$115.2m
Initial yield (current net income)	7.7%
Fully leased (at markets rents)	10.1%
Price per sqm of NLA	\$4,645 per sqm
Target distribution yield in year 1 ¹	7.0%
Target average annual distribution yield ¹	8.0% to 9.0%
Target equity IRR ¹	15% +
Target equity multiple ¹	2x
Offer Close	1 August 2025



¹ Target returns are net of base fees but before tax and performance fee. Target returns are not a forecast and are not guaranteed.



High purchase yield and low rate per sqm

The purchase price reflects an initial passing yield of 7.7% which increases to 10.1%, assuming the Portfolio is fully leased at market rents.

The rate per sqm across the Portfolio is \$4,645, which Corval considers low for a suburban portfolio with a significant provision of parking.



Acquired below replacement cost

The purchase price is circa 40% below the estimated replacement costs, based on our preliminary assessment.



Opportunistic market timing

The Portfolio is being acquired at a point in the property cycle where commercial office property valuations have materially reduced from their previous peaks.

The current pricing pressure in the construction market also restricts the supply of new commercial office assets, thereby supporting both future vacancy levels and rental growth in the commercial office market.



Strong performing strategic suburban office market

The Brisbane office market is currently performing strongly and, within the overall Brisbane market, the Brisbane Technology Park has the lowest vacancy of all office sub-markets at 2.8%.

Recent re-leasing within this sub-market continue to be positive, pointing towards genuine rental growth, and incentives are 25-30% on a gross basis, which are well below most major CBD markets.



Quality portfolio of freehold properties

The Portfolio provides instant diversification and scale in a strong performing business park, with exposure to twelve individual commercial buildings (operating as seven properties on nine freehold titles).

The office assets within the Portfolio comprise two to three level business park buildings, providing good quality office space and a generous car parking ratio of 1:25 per sqm.

In addition to office space, the Portfolio also provides space for other users including life science/ laboratories, warehousing, childcare, café, and a vacant parcel of land.



Diversified tenancy portfolio generating regular income with strong growth potential

The Portfolio is currently 84% occupied by a diversified tenant profile of circa 50 tenants, including the Queensland Government (16% of Portfolio income) and several life science tenants including Bayer, MPS Connect and Southern RNA (collectively 33% of Portfolio Income).

The Portfolio offers a staggered income profile with a WALE of 3.1 years, generating regular income with the opportunity to drive rental growth in a market that is expected to be supply constrained.



Defined asset management strategy and potential development upside

Corval's approach to the Portfolio has been to work through each individual property and establish a defined asset management strategy.

The Portfolio also includes a vacant development site, as well as a vacant office building, thereby providing the potential for development upside.



Liquid investments with ability to sell down individually

When the Trust comes to exit this investment, Corval anticipates that selling down the properties individually will drive higher value, as the properties offer manageable investment lot sizes for private investors and smaller syndicators, providing a relatively deep and liquid market.



Corval's track record in active office investments

Corval has a strong track record of delivering attractive returns from buying office assets with a value-add strategy, implementing active asset strategies and executing timely disposals to maximise investor returns.



Risks | An investment in the Trust involves risks and may result in a loss of capital. Potential risks include but are not limited to property market and other property related risks, risks associated with financial projections, capital expenditure risk, environmental contamination risk, development risk, tenancy risk, leasing risk, borrowing risk, refinancing risk, interest rate risk, breach of loan covenant risk, tax risk, liquidity risk, regulatory risk, counterparty risk, currency risk and many other risks. Potential investors should review the Information Memorandum, and the information provided in the data room, in detail prior to making a commitment to invest in the Trust.

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