

Corval Property Fund Acquisition Announcement

Corval is pleased to announce the acquisition of 65-69 West Avenue and 12 Kaurna Avenue, Edinburgh SA, a high quality industrial investment underpinned by strong fundamentals and favourable market conditions.

This announcement has been prepared by Corval Partners Limited (ACN 130 628 830) (Corval Partners), the appointed manager of the Corval Property Fund (Fund) and is subject to the disclaimer at the end of this document. Corval Partners is the trustee of the Fund (Trustee).

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Investment Overview

65-69 West Ave and 12 Kaurna Avenue, Edinburgh SA

The Fund has acquired a 100% interest in 65-69 West Avenue and 12 Kaurna Avenue, Edinburgh SA in an off-market purchase from a local private investor.

The asset provides 12,325 sqm of gross lettable area approximately 33 kilometres north of the Adelaide CBD. The Property sits on a 43,670 sqm site and therefore benefits from low site coverage of just 28%, allowing for a potential future expansion.

The Property was significantly refurbished in 2017, which included the addition of a two-storey office component, new external cladding and an extension of the outdoor hardstand.

The Property is 100% leased to a subsidiary of the ASX listed Metcash, with three years remaining until October 2029, providing robust, near-term cashflow for the Fund. Corval has assessed the market rents to be well above the current rent being paid, providing potential value upside for the Fund at the current lease expiry.

Having secured the Property off-market, Corval believes that the acquisition metrics are favourable, reflecting a capitalisation rate of 7.00% and a price that is estimated to be 40% below replacement costs.

65-69 West Ave and 12 Kaurna Avenue, Edinburgh

Sector	Industrial
Lettable Area	12,325 sqm
Acquisition price	\$19.2 million
Interest acquired by Fund	100%
Initial yield	6.6%
Occupancy	100%
WALE	3.5 years
Price per sqm of GLA	\$1,469 per sqm

Acquisition Highlights



Purchase price estimated to be 40% discount to replacement cost



~45-50% under-rented, potentially allowing for significant leasing spread and value uplift



ASX listed tenant



Attractive comparable acquisition metrics at

- 6.6% initial yield
- 7.0% core cap rate



Potential value add initiatives – low site cover allows for expansion





If you require any further information, please contact:

Jimmy Byrne
Head of Adviser Funds
jimmy.byrne@corval.com.au

Anna Cruse
Head of Private Clients
anna.cruse@corval.com.au

Anna Tearle
Business Development Associate
anna.tearle@corval.com.au

Corval Partners Limited

Sydney
Level 1, 1 Castlereagh St,
Sydney NSW 2000

Melbourne
Level 5, 130 Little Collins St,
Melbourne VIC 3000

corval.com.au
info@corval.com.au

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