

corval conversations

Corval Conversations Q&A

Oliver Picone | Chief Investment Officer

Oliver Picone, Chief Investment Officer at Corval, plays a central role in shaping the firm's investment strategy, overseeing acquisitions, divestments and strategic asset management across the portfolio. Since joining Corval in 2012, Oliver has led more than \$3 billion in real estate transactions, bringing 20 years' experience across investment, valuation and advisory roles.

In this inaugural edition of Corval Conversations, Oliver shares his perspectives on Corval's investment approach, the evolving dynamics shaping the real estate sector and how the firm is positioning its portfolio in a higher interest rate environment.



Q1) From an investment perspective, what are the key characteristics you look for when assessing potential real estate opportunities, and how does Corval differentiate its approach when identifying and sourcing investments?

At Corval, our investment approach has always been opportunity-led rather than being too sector specific. We cast the net widely across the market and assess a large volume of opportunities. Rather than making broad calls around specific geographies or asset classes, our view is that every asset ultimately has a price - and our role is to identify where relative value sits, balancing risk, asset quality and return.

This means we review a significant amount of deal flow, with the majority of opportunities filtered out relatively quickly, often due to pricing, location or asset quality. However, seeing that breadth of opportunities helps us build a clear picture of where value sits in the market. From there, a smaller subset of opportunities progresses to deeper underwriting and due diligence. Ultimately, the investments we pursue come down to finding the right balance between risk, asset quality and forecast return, ensuring the risk we take is appropriately reflected in the potential outcome for investors.

Q2) Markets are constantly evolving. What broader trends are you currently seeing across the real estate sector, and how are they influencing investment decisions today?

There are a number of broader themes influencing the sector at the moment, including technological shifts such as AI, evolving workplace dynamics and the continued growth of data infrastructure. These factors are shaping how certain real estate assets are used and are most visible in areas such as occupancy trends and tenant demand.

From an investment perspective, one of the most notable developments is the growing investor interest in alternative real estate sectors beyond the traditional office, retail and industrial categories.

We are seeing more capital allocated towards sectors such as self-storage, childcare, healthcare and the living spaces, as investors look to diversify and identify areas where pricing and long-term demand dynamics remain attractive.

Corval has been selectively exploring opportunities within this broader alternatives space. For example, we were an early investor into the land lease sector, and more recently we have invested in the independent living unit sector through our involvement alongside Kado.

Alongside this, we continue to expand our exposure to agriculture and agri-related assets, an area where we have historically invested via lease-back structures, but are selectively exploring opportunities with operational partners as well.

Q3) Interest rates have risen significantly in recent years, reshaping the investment environment. How has this shift influenced pricing and investor behaviour across the commercial property market?

Interest rates have always been one of the most closely watched variables in real estate investment markets. Following a prolonged period of historically low – and arguably artificially low – interest rates, the rapid increase we have seen since 2022 has had a clear impact on both cash flow dynamics and asset pricing across the market.

The immediate effect tends to be on income distributions, as higher borrowing costs reduce free cash flow available after servicing debt. Over time, however, these higher rates have also flowed through into property valuations, with cap rates and discount rates adjusting accordingly.

Prior to the most recent market volatility, it appeared that much of this repricing had worked its way through the market, and we were beginning to see opportunities re-emerge as cap rates adjusted.

However current geo-political events are now expected to result in interest rates and inflation remaining elevated in the short term and we may see further upward pressure on cap rates, which could present additional buying opportunities for disciplined investors, particularly where vendors are under pressure to sell.

Q4) In periods of higher interest rates or economic uncertainty, are there particular sectors or parts of the market that require greater discipline or selectivity from investors?

Periods of uncertainty tend to reinforce the importance of quality assets and income security.

In these environments, investors often have the opportunity to move up the quality curve, acquiring assets that may not have been available in more competitive market conditions.

At the same time, we place a greater emphasis on the durability of income, including factors such as lease tenure, tenant quality and the reliability of underlying cash flows. This is where Corval's approach to long-term lease back structures becomes particularly relevant. We have historically invested in sectors tied to essential industries, such as food production, where underlying demand is more resilient. For example, assets leased to operators within the poultry sector provide exposure to an essential, low-cost food source with consistent demand.

These types of investments typically involve long-term, triple-net leases, which reduce leasing risk and provide greater visibility over income streams. In more uncertain periods, this provides a greater level of comfort around the reliability of income and our ability to navigate more challenging market conditions.

Q5) Asset management plays a significant role in driving long-term returns. How does Corval approach maximising value across a property portfolio over the life of an investment?

Asset management has always been a core component of Corval's investment philosophy.

Across our business, we maintain a strong and well-resourced asset management capability because we believe this is where a meaningful portion of value is created over the life of an investment.

Many of the assets we acquire require active, hands-on management, and our team works closely across the entire investment lifecycle to optimise performance – whether that involves repositioning assets, enhancing income streams or executing value-add initiatives.

Equally important is maintaining discipline when it comes to timing asset exits. While we take a long-term view on investments, we are not simply accumulating assets indefinitely. If we believe the right exit opportunity has emerged, we are prepared to act and realise value for investors.

This approach is reflected in Corval's track record of successfully realising investments across multiple market cycles.

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Q6) Australia continues to attract strong institutional and offshore interest in real estate. In a time of global uncertainty, what do you think makes the Australian property market attractive to investors?

Australia remains an attractive destination for global real estate capital for several reasons.

Firstly, it is a highly transparent and well-regulated market, which gives international investors confidence around governance, legal frameworks and investment structures. Secondly, many global investors are familiar with the Australian market and view it as a stable and mature real estate environment relative to some other regions.

Australia has also historically demonstrated resilience during periods of global economic disruption. For example, during events such as the Global Financial Crisis, the domestic economy and property market proved relatively robust compared with many other jurisdictions.

As a result, during times of heightened geopolitical or economic uncertainty, Australia is often seen as a stable allocation within global portfolios, and that continues to support strong institutional and offshore interest in the sector.

As the real estate landscape continues to evolve, Corval's disciplined, opportunity-led approach remains central to how it identifies and captures value across market cycles. With a focus on balancing risk and return, actively managing assets and maintaining flexibility in capital allocation, the firm is well positioned to respond to changing conditions and uncover opportunities across both traditional and alternative sectors.

This inaugural edition of Corval Conversations, featuring Oliver Picone, provides insight into the thinking that underpins Corval's investment strategy and long-term approach to delivering outcomes for investors, with future editions set to highlight the broader expertise across the Corval team.

More Information

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