

# corval conversations

## Corval Conversations Q&A

### Michael Hua | Senior Fund Manager

Michael Hua, Senior Fund Manager at Corval, leads the firm's institutional mandates and associated ESG initiatives, helping shape investment and asset management strategies across a diverse portfolio of real estate assets. Having joined Corval in 2012, Michael has played a key role in integrating sustainability, resilience and long-term value creation into the firm's approach to property investment.

In this edition of Corval Conversations, Michael shares his perspective on the evolution of ESG across the property sector, the importance of future-proofing assets and why sustainability is increasingly becoming a commercial imperative for investors, tenants and property owners alike.



**Q1) You lead Corval's institutional mandates and associated ESG initiatives. How do those two responsibilities intersect, and how has investor demand around sustainability evolved in recent years?**

Institutional investors today generally have ESG embedded within their investment criteria and mandates, so the two responsibilities are very much intertwined.

As a fund manager, I've always believed we're the fortunate ones because investors place a significant amount of trust in us. With that trust comes a responsibility to invest capital responsibly, and part of that naturally involves thinking about sustainability, governance and how we manage assets over the long term.

At Corval, we don't view ESG as a separate initiative sitting alongside investment performance. Good governance, responsible asset management and long-term resilience are all part of delivering strong outcomes for investors. The growing support we've received from institutional investors over recent years reflects that shift. Sustainability is no longer viewed as a standalone consideration — it's increasingly seen as an important part of how value is created, protected and sustained over time.

**Q2) Sustainability has become an increasingly important focus across the property sector. How have you seen the conversation shift from when you first joined Corval in 2012 to today?**

When I joined Corval in 2012, many of the sustainability initiatives we pursue today were already part of how we managed assets. They just weren't necessarily labelled as ESG at the time.

Our asset management philosophy hasn't fundamentally changed. What has changed is the level of focus and the expectations from investors, tenants and capital partners. Sustainability has evolved from being viewed as a "nice-to-have" to being recognised as a key driver of how assets perform and create value over the medium and long term.

Investors are no longer satisfied with standalone case studies or high level ESG narratives. They increasingly are wanting to see measurable, transparent, and comparable data to assess performance across assets, portfolios, managers, and markets. Utilising tools such as GRESB, NABERS & Green Star etc, which is why we have such a key focus on monitoring our data.

## Corval Conversations Q&A

Michael Hua | Senior Fund Manager

At Corval, we view ourselves as temporary custodians of both capital and property assets. While those assets are in our hands, we have a responsibility to invest responsibly, improve resilience and future-proof them for the long term. Ultimately, sustainability is no longer just about doing the right thing – it is increasingly becoming essential to maintaining competitiveness and protecting value.

**Q3) Corval has been involved in a number of sustainability and energy-related initiatives across the portfolio.**

**Are there any projects or case studies that particularly highlight Corval's ESG approach?**

Two projects that demonstrate our approach particularly well are Villawood and Workzone East.

At Villawood, we acquired a 40-year-old industrial facility approaching the end of its useful life. Rather than demolishing and rebuilding, we undertook a significant asset recycling and repositioning program, retaining the existing structure and foundations wherever possible. That allowed us to preserve embedded carbon, avoid unnecessary waste and extend the life of the asset, while transforming it into a modern facility capable of attracting a new generation of tenants.

Workzone East highlights the commercial side of ESG. Perth is one of Australia's most competitive office markets, with high vacancy rates and plenty of tenant choice. The challenge was ensuring the building remained relevant in that environment.

Through a series of initiatives focused on electrification, energy efficiency, recycling and building performance, we improved the asset's credentials and aligned it with what major occupiers increasingly expect from landlords. Those initiatives helped secure long-term tenant commitments, maintain full occupancy and ultimately supported a successful sale outcome.

For us, that's the real value of ESG. It's not a separate overlay or box-ticking exercise. It's about making assets more competitive, reducing obsolescence risk and positioning them to perform over the long term.

**Q4) You recently spoke on a panel at the Energy Efficiency Council National Conference discussing electrification and commercial buildings. What were some of your biggest takeaways from the event?**

One of the key themes from the conference was the important role policy and government support will continue to play in accelerating the transition to more efficient buildings. There was significant discussion around grants, incentives and collaborative programs that encourage landlords and tenants to work together on sustainability initiatives.

Another major takeaway was the growing focus on retrofitting existing assets. Previously upgrading and repositioning existing buildings was difficult and expensive. It has now evolved and is more practical and commercially viable than redevelopment, particularly in the current market environment.

The conference also reinforced the importance of engagement. Successful sustainability outcomes are rarely achieved by landlords acting alone. They require partnership with tenants, education around the benefits of change and a shared commitment to improving building performance.

Ultimately, the broader theme was resilience – ensuring assets remain efficient, competitive and relevant in an evolving market.

**Q5) Electrification, energy efficiency and future-proofing assets are becoming increasingly important topics across commercial property. How do you see the sector evolving over the next few years?**

I expect to see greater disclosure requirements and performance expectations expand across a broader range of sectors. While the office market is already relatively mature in terms of ratings, benchmarking and reporting, industrial and residential assets are likely to receive greater attention in the years ahead.

## Corval Conversations Q&A

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For industrial assets in particular, I think success will increasingly come down to partnership. In many cases, occupiers have significant control over how a building operates, which means meaningful progress can't be achieved by landlords acting alone.

I often talk about what I call AEE – Awareness, Education and Engagement. Before you can drive meaningful change, you need to help tenants understand why it matters, educate them on the opportunities available and bring them along on the journey.

Historically, landlord-tenant relationships have often been transactional, focused on lease terms, rent reviews and renewals. Increasingly, I think the industry needs to move beyond that. The best outcomes will come from working collaboratively with occupiers to improve building performance, reduce operating costs and future-proof assets in a way that benefits both parties.

Ultimately, the conversation is shifting from compliance to collaboration. The owners and managers who build genuine partnerships with their tenants will be best placed to create more resilient, efficient and competitive assets over the long term.

**Q6) Looking ahead, what do you see as the biggest opportunities for property owners and investors seeking to balance sustainability outcomes with strong commercial returns?**

The biggest opportunity is recognising that sustainability and commercial performance are not competing objectives. In many cases, they are closely aligned.

While some initiatives require upfront investment, the long-term benefits can be significant. Well-targeted sustainability measures can improve tenant retention, reduce operating costs, minimise downtime and enhance the overall competitiveness of an asset.

For investors, those outcomes can translate into stronger occupancy, more resilient cash flows and improved positioning when it comes time to exit an investment.

Ultimately, the opportunity is not simply to achieve better sustainability outcomes. It is to create assets that are more resilient, more relevant and better positioned to outperform over the long term.

As sustainability considerations continue to reshape the property sector, Corval remains focused on creating resilient, competitive assets that deliver long-term commercial outcomes. Whether through asset recycling, electrification initiatives or active tenant engagement, the firm's approach is grounded in the belief that it is a temporary custodian of both capital and property assets, with a responsibility to leave them in a stronger position for the future.

This edition of Corval Conversations, featuring Michael Hua, highlights how sustainability, asset management and investment performance are increasingly interconnected, with future editions set to showcase perspectives and expertise from across the broader Corval team.

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## More Information

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