Corval Property Fund
Sale Announcement

Corval is pleased to announce the successful sale of 26 Flinders Street, Adelaide for a gross sale price of $50.0 million

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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Ownership Overview

26 Flinders Street, Adelaide was acquired in May 2018 for $36.0 million. Over the investment period, Corval delivered a targeted capital expenditure program that repositioned the building and significantly enhanced its tenancy profile, building services, sustainability credentials and overall asset quality. Throughout the investment term, Corval delivered a complete physical transformation of the Property, elevating it from a generic B-grade asset, to a highly regarded institutional-quality office property. The works included a new building entry and lobby with a café and lounge, new end-of-trip facilities, new bathrooms and lift lobbies, a full lift upgrade, new chillers, a replacement building management system and a full upgrade of the on-floor mechanical services.

The NABERS Energy rating increased from 4.0 Stars to 4.5 Stars and the building is on track to achieve 5.0 Stars, supported by its move to 100% green energy.

The Property was also the first building in Adelaide to achieve a WiredScore rating (Gold), and one of the first to connect to the 10 Gigabit Adelaide fast internet infrastructure.

This repositioning resulted in a highly engaged tenant community, achieving strong tenant retention and a highly successful leasing program. Corval completed new leases covering approximately 40% of the building and lease renewals covering approximately 80% of the building (with some tenants renewing more than once). Market rents have also increased by approximately 30% since the acquisition.

Corval's continued focus on active asset management enabled average annualised distributions of 7.8 cents per unit to be paid investors throughout the investment period.

Sector	Office
Purchase date	May 2018
Hold period	7 years
Acquisition price	$36.0 million
Gross sale price	$50.0 million
Average distributions over hold period	7.8%
Equity IRR / Multiple	6.4% / 1.5 times
Property Fund's interest in underlying Trust	6.1%

Ownership Highlights

Average distribution over hold period of 7.8% per annum.	
Complete physical transformation of the Property including a new building entry and lobby with a café and lounge, new end-of-trip facilities, new bathrooms and lift lobbies.	
New leases completed, covering approximately 40% of the building and lease renewals covering approximately 80% of the building. Market rents increased by approximately 30% since the acquisition	
NABERS Energy rating increased from 4.0 Stars to 4.5 Stars and on track to achieve 5.0 Stars, supported by its move to 100% green energy.	
First building in Adelaide to achieve WiredScore rating (Gold)	



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More Information

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