

# ASX Announcement – Australian Unity Office Fund

25 July 2022

## Valuation and Portfolio update

Australian Unity Investment Real Estate Limited (**AUIREL**) as responsible entity of Australian Unity Office Fund (**ASX: AOF**) provides this valuation and portfolio update.

### June 2022 independent valuations

Independent valuations have been received for seven of AOF's assets as at 30 June 2022<sup>1</sup>. The valuations reflect a decrease of \$37.25 million from the prior independent valuations. The decrease predominantly relates to AOF's assets at 30 Pirie Street, Adelaide and 2-10 Valentine Avenue, Parramatta.

At 30 Pirie Street, Adelaide the independent valuation reflects increased capital expenditure allowances which will be required to refurbish the building following the expiry of Telstra's lease in February 2023<sup>2</sup>, resulting in a decrease of \$16.0 million in the value of 30 Pirie Street, Adelaide to \$73.0 million.

2-10 Valentine Avenue, Parramatta is a single allotment comprising a 14 level office building at 10 Valentine Avenue and an adjoining six level car park for a total of 282 cars at 2 Valentine Avenue. 2 Valentine Avenue currently has development approval for a ~28,000sqm A-Grade office tower across 24 levels with 117 car spaces, with the previous independent valuation valuing it as a development site. The independent valuer has considered current market conditions with respect to office development opportunities and has valued 2 Valentine Avenue as a car park with development approval. This change in valuation methodology has resulted in a \$22.55 million decrease in the value of 2-10 Valentine Avenue to \$98.0 million.

The balance of AOF's updated independent valuations were broadly in line with their prior independent valuations.

The June 2022 total portfolio value of \$539.8 million reflects a weighted average capitalisation rate of 5.69%, with further detail provided in the table below.

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<sup>1</sup> 96 York Street, Beenleigh being independently valued as at 31 March 2022.

<sup>2</sup> Telstra is the major tenant at 30 Pirie Street, Adelaide and occupies ~22,435 sqm or ~90% of the building. As announced on 16 December 2021, Telstra has advised AOF that it will not renew its lease upon expiry in February 2023. Telstra has indicated a potential requirement to remain in the building for a short period following expiry of its lease.

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**Issuer:**

Australian Unity Investment Real Estate Limited  
271 Spring Street  
Melbourne VIC 3000  
ABN 86 606 414 368  
AFSL: 477434

**Registry Enquiries:**

Australian Unity Office Fund Investor Services  
1300 737 760 or  
+61 2 9290 9600  
(outside Australia)

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Property	Independent Valuation <sup>3</sup>	Capitalisation rate	NLA <sup>4</sup> (sqm)	Value \$/sqm
10 Valentine Ave, Parramatta, NSW <sup>5</sup>	\$82.0m	5.50%	16,020	6,117 <sup>6</sup>
2 Valentine Ave, Parramatta, NSW <sup>5</sup>	\$16.0	5.00%	-	
30 Pirie St, Adelaide, SA	\$73.0m	6.75%	24,665	2,960
150 Charlotte St, Brisbane, QLD	\$77.1m	6.25%	11,081	6,958
468 St Kilda Rd, Melbourne, VIC	\$83.2m	5.125%	11,211	7,421
5 Eden Park Dr, Macquarie Park, NSW	\$80.0m	5.25%	11,556	6,923
2 Eden Park Dr, Macquarie Park, NSW	\$62.5m	5.50%	10,346	6,041
96 York St, Beenleigh, QLD	\$33.52m	5.625%	4,650	7,209
64 Northbourne Ave, Canberra, ACT	\$32.5m	5.75%	6,375	5,098
<b>Total (T) / Weighted Average (W)</b>	<b>\$539.8m (T)</b>	<b>5.69% (W)</b>	<b>95,904 (T)</b>	<b>5,629 (W)</b>

### Debt refinancing

During the second half of FY22 AOF completed \$150 million of debt refinancing with its existing lenders. All three debt tranches now expire in March 2025 with the refinancing replacing tranches that were expiring in October 2022 and June 2023. The refinancing was achieved at comparable pricing to the prior facilities with the debt covenants remaining at 50% loan to value ratio and 2.0x interest cover ratio. The facility limit remains at \$250 million with drawn debt at 30 June 2022 of \$170.3 million.

### 30 June 2022 estimated net tangible assets<sup>7</sup>

Noting the 30 June 2022 independent valuations, the drawn debt and other balance sheet movements to 30 June 2022, AUIREL estimated AOF's NTA as at 30 June 2022 will be approximately \$2.26 per AOF unit.

#### Authorised by:

AUIREL Disclosure Committee

#### Contact information

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<sup>3</sup> As at 30 June 2022, other than 96 York Street, Beenleigh which is as at 31 March 2022

<sup>4</sup> NLA means net lettable area

<sup>5</sup> 2-10 Valentine Avenue, Parramatta is a single allotment. 10 Valentine Avenue comprises a 14 level office building and 2 Valentine Avenue comprises an adjacent six level car park for a total of 282 cars. 2 Valentine Avenue currently has development approval for a ~28,000sqm A-Grade office tower across 24 levels with 117 car spaces.

<sup>6</sup> Refers to the combined 2-10 Valentine Avenue, Parramatta at \$98m and NLA of 16,020sqm.

<sup>7</sup> Subject to finalisation and approval of the independent valuations and full year FY22 accounts by the AUIREL Board.

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## **About AOF**

AOF is an ASX-listed REIT that wholly owns a diversified portfolio of properties located across Australian metropolitan and CBD markets in Sydney, Adelaide, Melbourne, Brisbane and Canberra.

This announcement is issued by Australian Unity Investment Real Estate Limited ABN 86 606 414 368 AFSL 477434 (AUIREL) as responsible entity of Australian Unity Office Fund. AUIREL is owned equally by subsidiaries of Australian Unity Limited ABN 23 087 648 888 and Keppel Capital Holdings Pte Ltd CRN 201302079N, the asset management arm of Singapore-based Keppel Capital Limited CRN 196800351N.

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