

## ASX Release

23 January 2020

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### BlackWall Group Update Q1 2020

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Attached is a periodic newsletter sent to BlackWall Limited (BWF) and BlackWall Property Trust (BWR) investors in respect of the property and fund activities of the BlackWall Group.

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Authorised for lodgement by  
Sophie Gowland  
Company Secretary



## BlackWall Group Funds Update Q1 2020

### WHO ARE WE?

#### BlackWall Limited (ASX: BWF)

We look for assets that have a problem that we think we understand and can fix. We look at real estate that is suitable for adaptive reuse and urban renewal at a price that mitigates, at least in part, the risks associated with changes of use. Our strategy requires patience but can generate material value gains and sustainable income especially during periods of dislocation in financial markets. BlackWall's property development, management and funds activities are essentially the same as they have been for over 25 years. We generate management, performance and transaction fees from our real estate investments, the largest of these is our listed BlackWall Property Trust.

#### *BlackWall/WOTSO Demerger Update*

The demerger is now complete. As previously disclosed on 20 December 2019, BlackWall shareholders approved a transaction under which BlackWall made an "in-specie" distribution of WOTSO shares (Demerger). WOTSO is now a separate company owned by shareholders that were on the BWF register on 7 January 2020. BlackWall itself holds a 14% investment in WOTSO.

The BlackWall shares will continue to trade on the ASX under the stock code BWF. WOTSO is now an unlisted public company but has plans to list on the ASX later in the year.

#### BlackWall Property Trust (ASX: BWR)

This is our listed real estate investment trust (A-REIT). We generate and distribute income returns from assets. There are 11 properties in the portfolio with a gross asset value of \$317M. [Last year we sold our largest property the Bakehouse Quarter](#) and in doing so we doubled the size of the trust. To maximise our return on cash reserves we have elected to repay debt rather than hold cash on deposit which has had the effect of reducing our gearing to 18%. This may appear like a lazy balance sheet but we believe that we are now strategically positioned to take advantage of future opportunities.

With property yields at record lows we think it unlikely that BWR will acquire passive real estate investments in the near term but we are on the hunt for active investments and special situations where we believe we can succeed regardless of market conditions.

## OUR PORTFOLIO

### [BlackWall Property Trust \(ASX: BWR\) Properties<sup>1</sup>](#)

#### **Sippy Downs, Qld**

- [30 Chancellor Village Blvd, Sippy Downs, Qld](#)
- Value: \$27,300,000
- NLA: 9,500 sqm
- Mixed use commercial centre with tenants including Joyce Mayne, First Choice Liquor, My Fitness Club, Sunshine Toyota and WOTSO.

#### **Yandina, Qld**

- [54 Pioneer Rd, Yandina, Qld](#)
- Value: \$20,450,000
- NLA: 9,100 sqm
- Purpose built printing facility leased to News Limited. Houses News Limited's main printing press servicing SE Queensland.

#### **Fortitude Valley, Qld**

- [76-84 Brunswick Street, Fortitude Valley, Qld](#)
- Value: \$8,680,000
- NLA: 2,400 sqm
- Prominent corner property with development potential now comprising two adjacent buildings after recent acquisition. Home to WOTSO and looking to find a childcare and gym operator.

#### **Toowoomba, Qld**

- [52 Industrial Avenue, Toowoomba, Qld](#)
- Value: \$5,000,000
- NLA: 4,200 sqm
- Industrial asset in Toowoomba. Legacy property which is on the market for sale.

#### **Varsity Lakes, Qld**

- [194 Varsity Parade, Varsity Lakes, Qld](#)
- Value: \$18,500,000
- NLA: 5,000 sqm
- Four storey office building on Queensland's Gold Coast with a gym, childcare centre, café and office tenants. Major tenants include Coral Homes and WOTSO.

#### **Dickson, ACT**

- [490 Northbourne Ave, Dickson, ACT](#)
- Value: \$30,700,000
- NLA: 8,000 sqm
- Prominent seven storey building in Canberra, leased to ACT Government and WOTSO. Home to over 100 SMEs.

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<sup>1</sup> Property values quoted are as at 30 June 2019.

**Symonston, ACT**

- [10-14 Wormald Street, Symonston, ACT](#)
- Value: \$8,500,000
- NLA: 2,700 sqm
- Former Canberra Eye Hospital now majority occupied by WOTSO.

**Adelaide, SA**

- [217-221 Flinders Street, Adelaide, SA](#)
- Value: \$6,900,000
- NLA: 4,300 sqm
- Two adjacent buildings on the fringe of the Adelaide CBD. 217 established home to WOTSO, 221 recently acquired and being fitted out for WOTSO.

**Hobart, Tas**

- [162 Macquarie Street, Hobart, Tas](#)
- Value: \$9,250,000
- NLA: 3,500 sqm
- Six storey office building in Hobart CBD with WOTSO and RGIT as major tenants.

**Other Properties**

***Properties owned by private syndicates and managed by BlackWall Limited (ASX: BWF)***

**Pymont, NSW**

- [55 Pymont Bridge Road, Pymont, NSW](#)
- Value: \$126,300,000
- NLA: 15,000 sqm
- Property owned by Pymont Bridge Property Pty Limited (which is owned by a syndicate of high net wealth individuals and BlackWall Property Trust).
- City fringe seven storey mixed use building. Major tenants include Verizon, IAG and WOTSO.

**Villawood, NSW**

- [850 Woodville Rd, Villawood, NSW](#)
- Value: \$19,500,000
- NLA: 9,400 sqm
- Property owned by WRV Unit Trust (which is owned by a syndicate of high net wealth individuals and BlackWall Property Trust).
- Entertainment precinct in Sydney's West. Zone Bowling, Flipout and Sydney Indoor Climbing Gym are amongst some of the action filled businesses.

**Neutral Bay, NSW**

- [50 Yeo Street, Neutral Bay, NSW](#)
- Value: \$14,000,000
- NLA: 2,361 sqm
- Tenants include WOTSO, ESET and small and medium business and a café on the ground floor.

**Mosman, NSW**

- [743 Military Road, Mosman, NSW](#)
- Value: \$9,900,000
- NLA: 435 sqm
- Tenants include Westpac and WOTSO.

**North Strathfield, NSW**

- [George Street, North Strathfield, NSW](#)
- Value: \$20.25 million
- NLA: 5,700 sqm of commercial and service uses
- The “Alerik” buildings are the remaining buildings that BlackWall-managed private syndicates own at the Bakehouse Quarter. The assets consist of a 4 level multi-deck carpark and a commercial office building.
- Major tenants include 2 childcare centres and Anytime Fitness.

**LAST QUARTER UPDATES*****Penrith***

- Toys R Us vacated their tenancy at the property in July 2018 following their financial collapse. We have now re-leased the majority of the former Toys R Us space.
- The space has been broken up into smaller tenancies. Factory Plus (a factory seconds retailer of whitegoods and televisions) has leased approximately 850 sqm and Tru Ninja (an adventure park) has leased approximately 1,350 sqm.

***Varsity Lakes, Qld***

- New childcare operator (Lullaby Early Learning Centre) opening early this year.

***Adelaide***

- Secured first tenant in the newly acquired German Club property on a “traditional” lease.
- We anticipate that there will be a mix of traditional tenants as well as WOTSO in the newly acquired Flinders Street site.

***Villawood***

- New tenant, Flipout, which is an indoor trampoline centre is due to open shortly.

***North Strathfield***

- Approximately 2,500 sqm of the carpark (ground floor and part of level 1) is under development with 800 sqm of the space leased to a gym operator.