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Agenda

- 1 The big picture
- 2 Portfolio review
- 3 Leasing overview
- 4 Questions







URF five years ago

First ASX listed property trust focused on NYC properties

AUD\$70 million fund

Cash & few properties

100% Hudson County





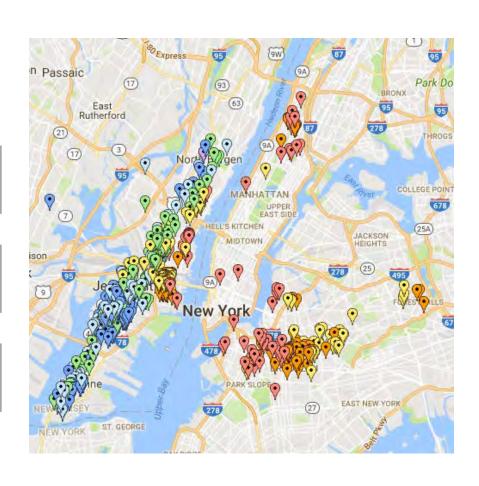
URF today

Largest owner of townhouses in NYC metro

> AUD\$1 billion in assets

Over 1,500 housing units

Diversified portfolio



Positioned for continued growth

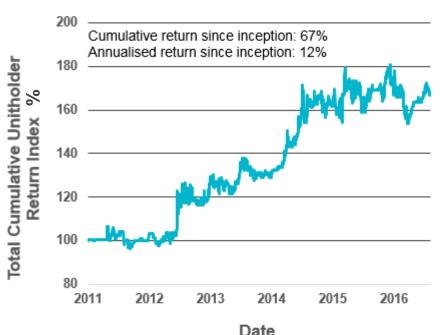
Multiple levers to create value for unitholders

Capital appreciation

Growing rental income

Currency backdrop

URF total cumulative return

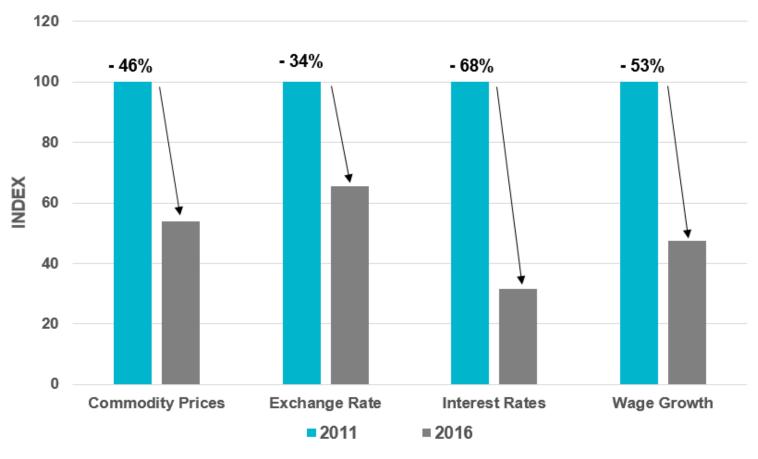


Source: Note:

Bloomberg
Total Unitholder return to 31 January 2017 assuming reinvested distributions adjustment for the 2014 rights issue, net of fees. The past performance of the Fund is not a quarantee of the future performance of the Fund.



The world has changed



Source:

Bloomberg, Reserve Bank of Australia, Australian Bureau of Statistics



The world has changed

Created a new listed asset class for Australian investors

What hasn't changed

- Australian dollar adjustment not complete
- US economy strongest of developed countries
- New York housing represents quality store of long term value

What has changed

- Eurozone, Japanese, Swiss, Nordic rates all negative
- Move towards fiscal stimulus
- Rise of populism



The world has really changed





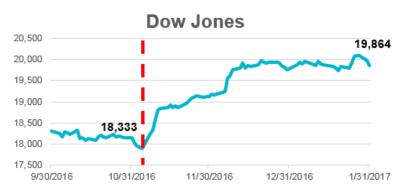
The Trump Bump

- - US Election: 8 November 2016









Source: SNL Financial Analytics & BankRate.com



The impact of rising rates

Weak relationship between housing prices and rates

- Higher rates coincide with higher growth and jobs
- House prices rose 25
 of last 26 times
 interest rates went up





Source: SNL Financial Analytics & CEO of Blackstone, Jim Schwartz *Data as of 31 January 2017

- — US Election: 8 November 2016







Investment focus

Fund has targeted four distinct investment markets

Hudson County Workforce

Multi-family

New Jersey premium

New York premium











Greenville | Bayonne | West Bergen | The Heights | Journal Square

Low acquisition costs

Rent quickly

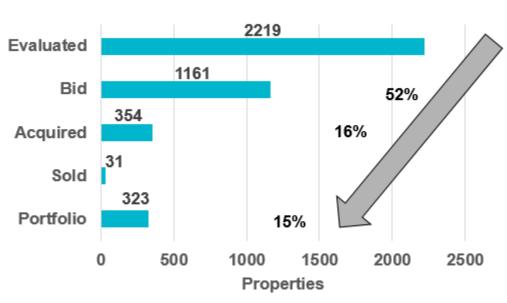
Yield well



High-yield properties in gentrifying areas

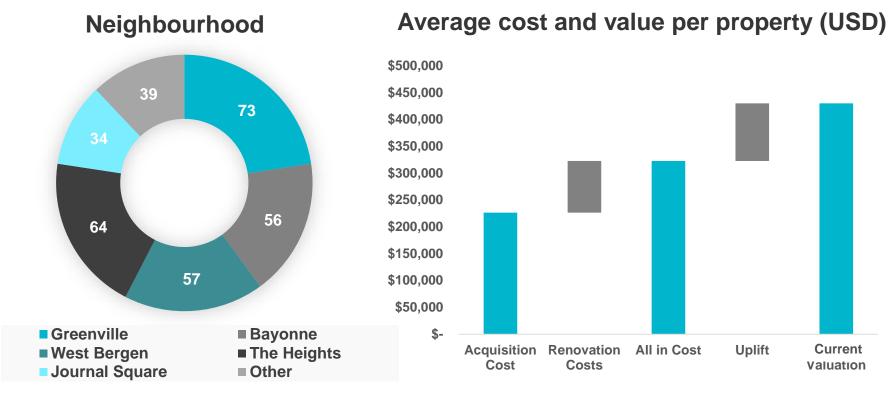


Acquisition profile





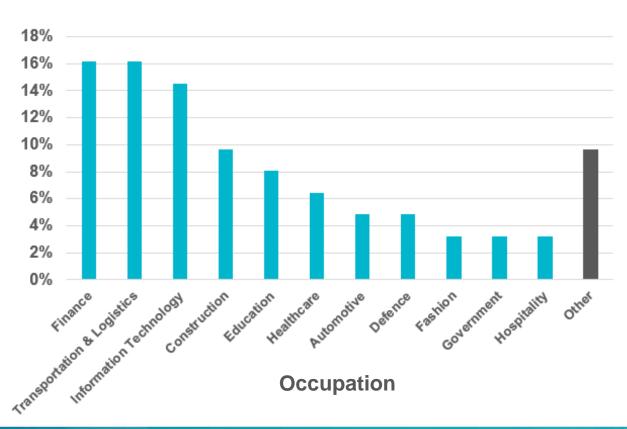
Significant scale built with low acquisition costs

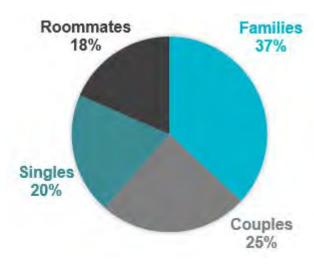


Note: Values reflective of property book values as at 31 December 2016 after revaluation for HY2016; figures may not add due to rounding



Who are our tenants?





Median household income USD\$79,200

Average rent USD\$1,832 per month



Update: 354 Ogden Avenue

Prime example of New Jersey auction process



Acquisition process

- 2005: Bought by 3rd party for \$635,000
- 2009: Financial distress
- 2012: Placed on potential foreclosure list
- 2013: Fund visits for first time
- 2016: Fund purchases for \$470,000

Analyst valuation \$700,000 33% discount

* All figures are quoted in USD



Multi family joint ventures

Strategy complements single family portfolio

Attractive financing

Expedited use of capital

Immediately cash flowing





Update: 515 West 168th St

Extended partnership with Urban American

84 unit building

USD\$18.2 million asset

USD\$216,667 per unit





Multi family joint ventures

Urban American as a Partner

- 19 years of experience
- c8,000 units owned
- Very strong track record
- JV with Brookfield (who run USD\$72 billion portfolio)
- Manage largest multifamily complex in North America





Source: Crains New York Business, 31 December 2016



Multi family joint ventures

Joint Venture investments with Urban American

| Location | Buildings | Units | Fund Share | Purchase (US\$m) | Valuation (US\$m) |
|--------------------|-----------|-------|---------------|---------------------|----------------------|
| West New York | 7 | 250 | 67.5% | \$23.5 | \$35.2 |
| Union City | 5 | 119 | 67.5% | \$11.2 | \$12.2 |
| North Bergen | 1 | 31 | 67.5% | \$2.9 | \$2.3 |
| Washington Heights | 1 | 84 | 63.7% | \$18.6 | \$18.6* |
| Total | 14 | 484 | | \$56.2 | \$68.2 |

- Average purchase price per unit US\$116,113
- Average current valuation per unit US\$140,927



Downtown Jersey City | Hoboken | Weehawken

Classic architecture

Exceptional location

Excellent neighbourhoods

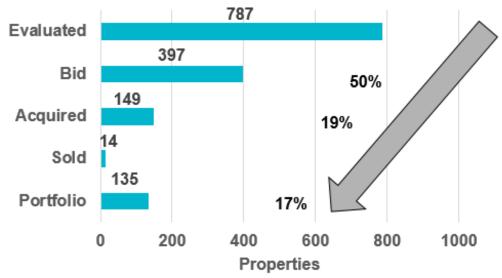


The Fund's purchasing in Downtown, JC has coincided with the development boom in the area





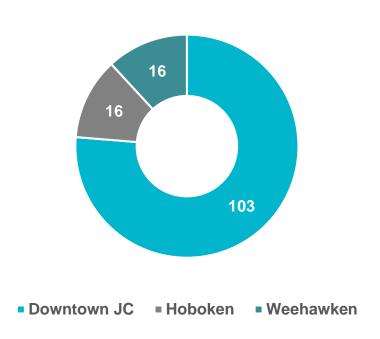
Lower volume of actively marketed properties; Fund maintains selective approach

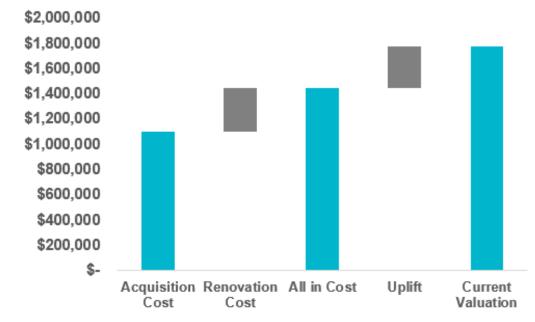


Premium portfolio at attractive valuations

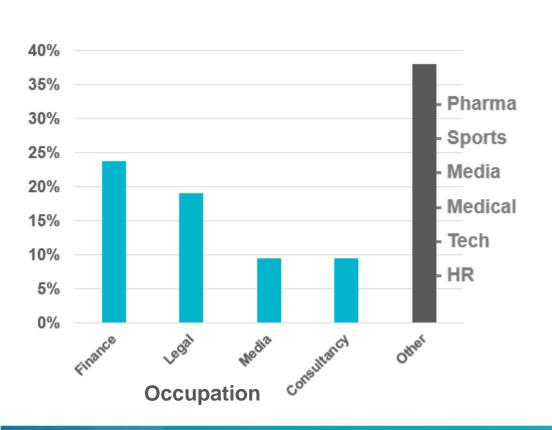
Neighbourhood

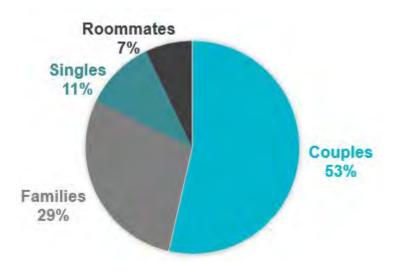
Average cost and value per property (USD)





Who are our tenants?





Median household income USD\$300,000

Average rent USD\$5,577 per month



Update: Jersey City Awarded

Jersey City is #1







"Jersey City ranks as the most livable city in the U.S..." - CNBC Money



Brownstone Brooklyn | Harlem | Queens | Lower Manhattan

Irreplaceable assets

Highly sought after locations

Opportunistic acquisitions

"...'New Brooklyn' has become a global brand."

New York Times

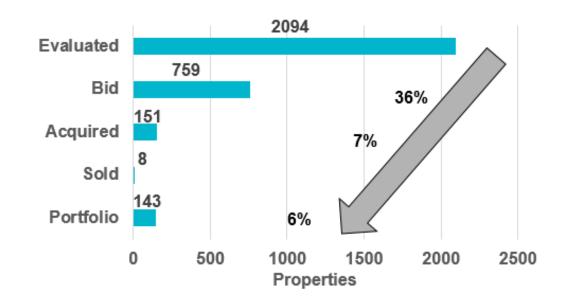




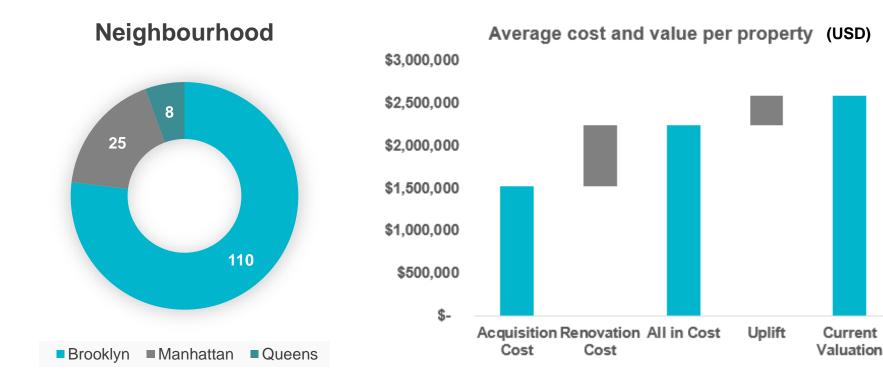
Undervalued assets in gentrifying neighbourhoods



Wide array of properties evaluated across the three boroughs; lowest purchasing rate

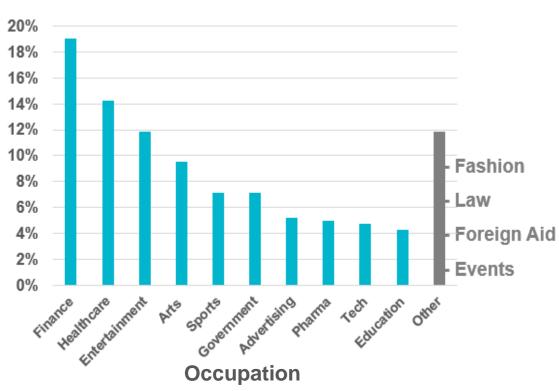


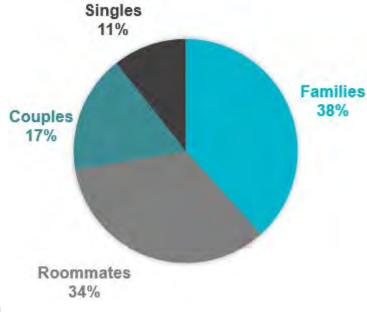
Core holdings of hard-to-find, prime New York properties





Who are our tenants?





Median household income USD\$433,068

Average rent USD\$9,030 per month



Update: 211 Powers Project

Acquisition → **Construction** → **Lease**

Capital appreciation

- Strategic neighbourhood selection
- Best deals in neighbourhood
- Smart construction investment

\$1.85m \$420k \$134k Cost Reno Uplift

Focus on rental income

- Leased before construction completion
- Innovative approach to tenant
- Lease: \$8,720 per month





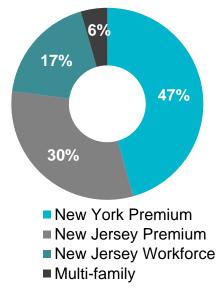
^{*}All figures quoted in USD

Current portfolio

High-quality, unique, and diversified portfolio of New York metropolitan area residential housing

| | Properties | Units | Value | Weighting |
|--------------------|------------|-------|---------|-----------|
| Premium New York | 143 | 197 | \$383.7 | 47% |
| Premium New Jersey | 135 | 235 | \$244.0 | 30% |
| Workforce | 323 | 656 | \$140.2 | 17% |
| Multi-family | 14 | 484 | \$45.3 | 6% |
| TOTAL | 615 | 1,572 | \$813.3 | 100% |

Property distribution by value



Note: Values reflective of property book values as at 31 July 2016 after revaluation for HY2016; figures may not add due to rounding

^{*} All figures quotes in USD

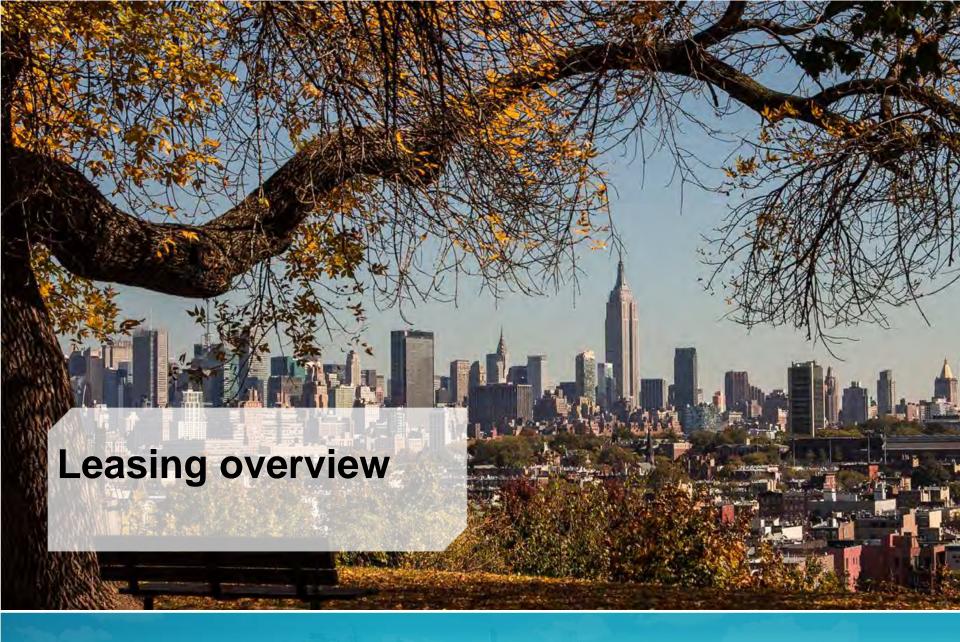


Rental income growth



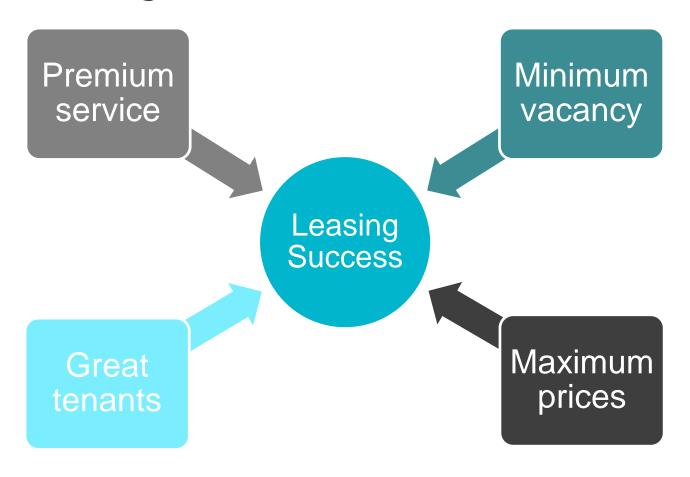
- 2016 gross revenue of US\$22.3m represents a 37% increase over 2015 and an 80% increase over 2014







Team objectives









Marketing innovations

Lease application

Lease signing

Online bookings

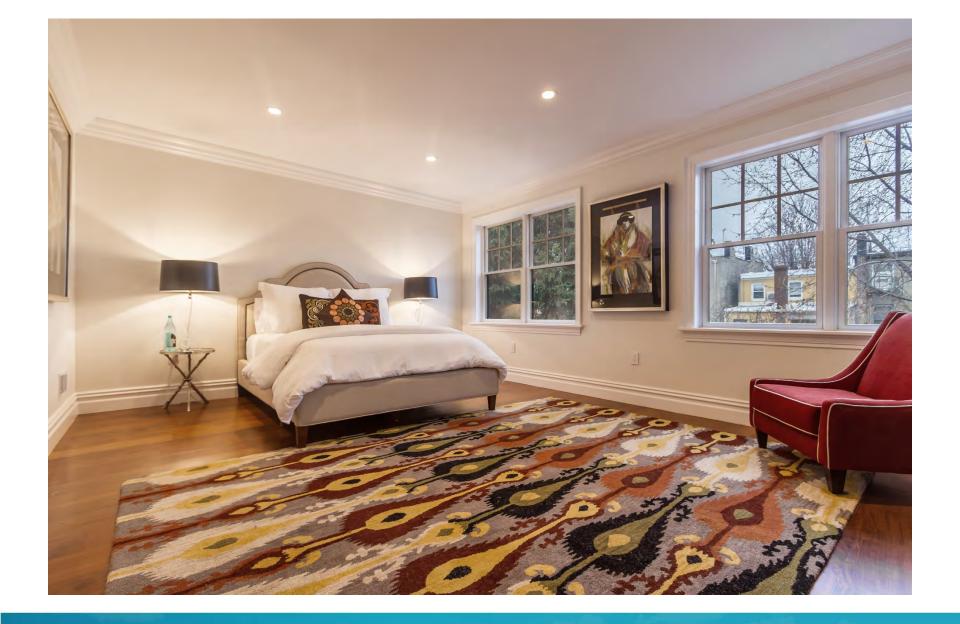


Marketing innovations









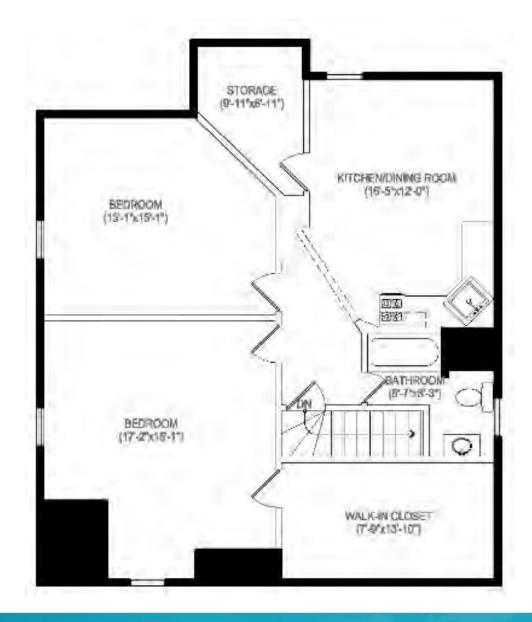




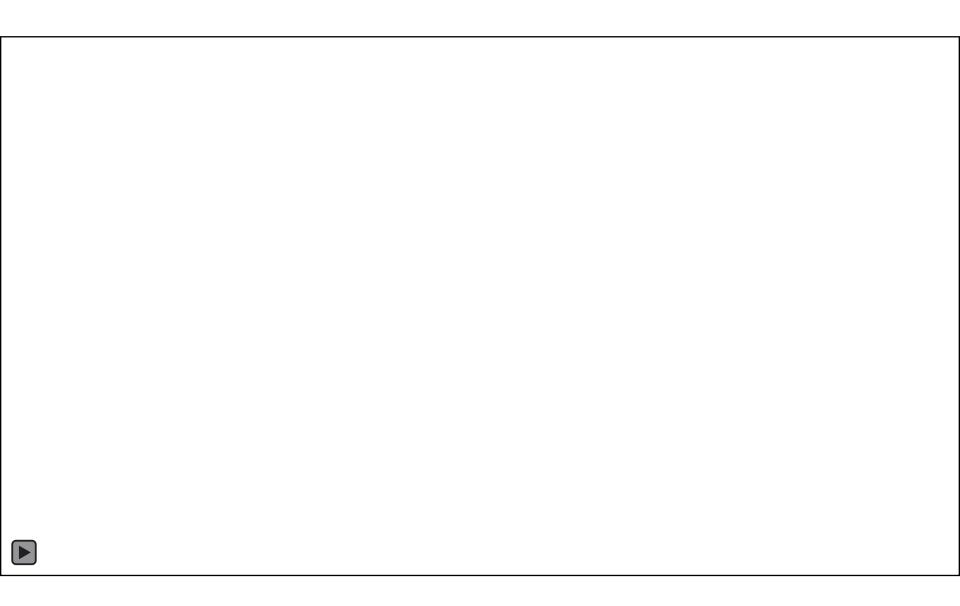












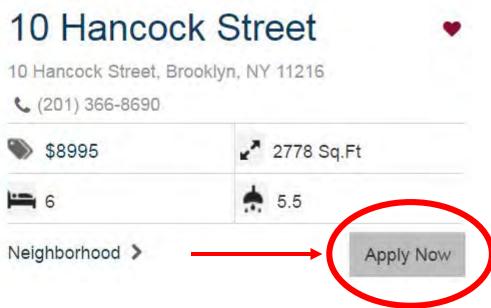


Lease application



Application

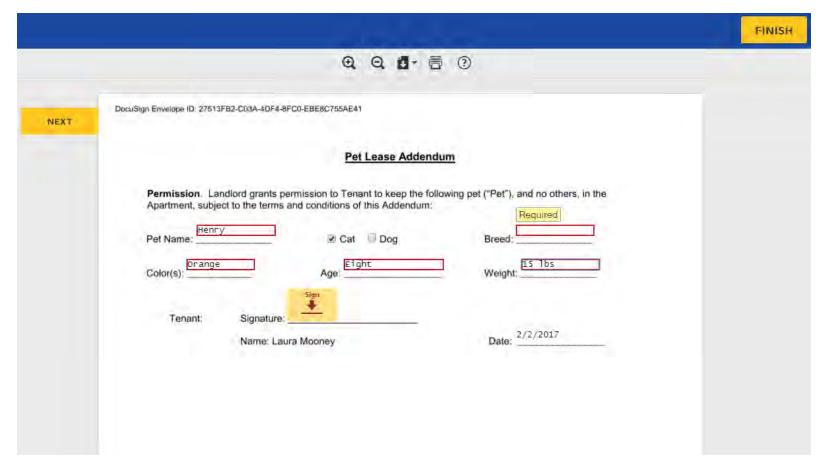




Lease signing



Lease signing





Online bookings



Self booking

\$8,495 - 6bd, 5.5ba 2,778 sqft

♥ 10 Hancock Street TH, Brooklyn, NY 11216 Available: Today





Schedule a tour!





Tour with
Ingrid Firmin
(201) 366-8690

Choose an approved time below and you'll be instantly booked!

Day:

∰ Thu Feb 2nd ∰ Sat Feb 4th ∰ Tue Feb 7th

None of these times work? Choose another time

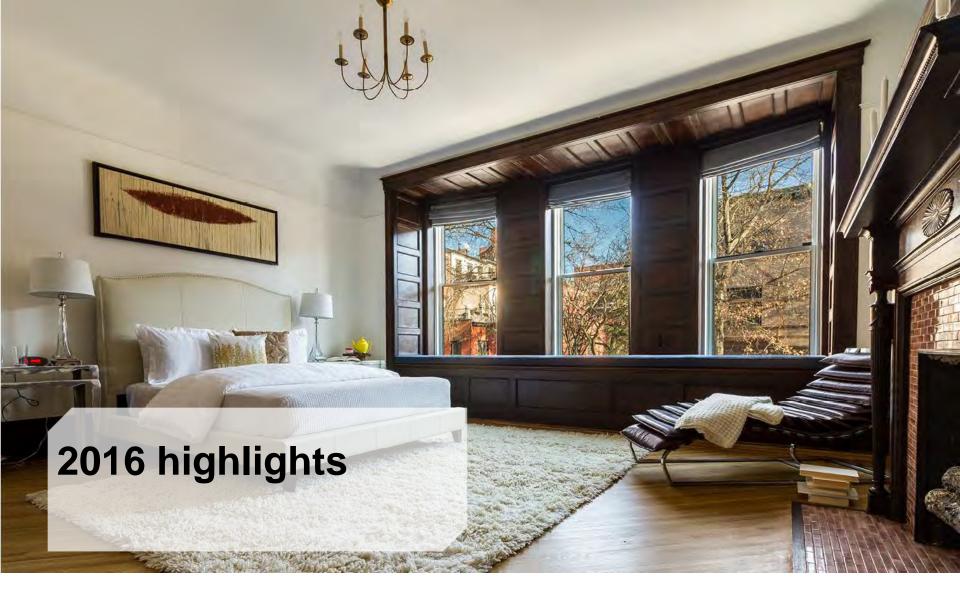
Offered by:

Dixon Leasing



dixonleasing







New Leases

| Lease type | Total count | Total annual annual | Increased Revenue (USD) | Percentage increase |
|----------------------|-------------|---------------------|----------------------------|---------------------|
| New lease - New | 38 | \$3.75M | \$3.75M | |
| New lease - Existing | 199 | \$6.68M | \$0.58M | 10% |







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| New lease - Existing | 199 | \$6.68M | \$0.58M | 10% |
| Renewals | 592 | \$14M | \$0.43M | 3% |



Renewal rate



Why?



1. Detailed application process

Renewal rate



Why?



2. Premium VIP service

Renewal rate



Why?



3. Thorough renewals process

What they do



Shanniel M. Newark, NJ

👯 9 friends

6 reviews

0 1 photo









dixonleasing

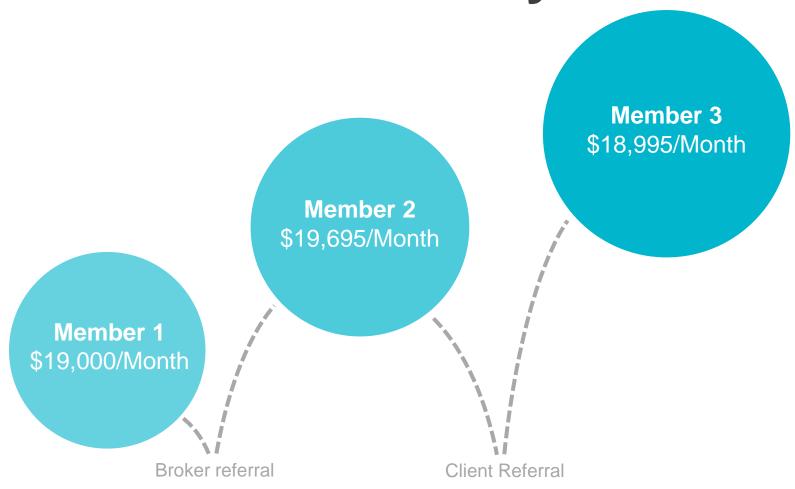


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| Renewals | 592 | \$14M | \$0.43M | 3% |
| Grand total | 829 | \$24.4M | \$4.8M | |



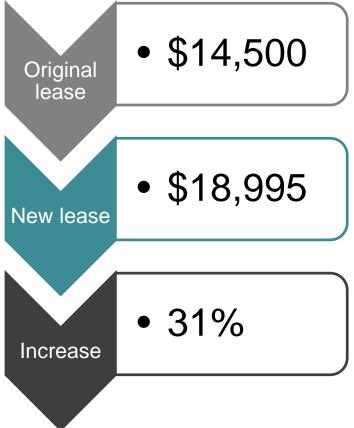
2016 Success Story

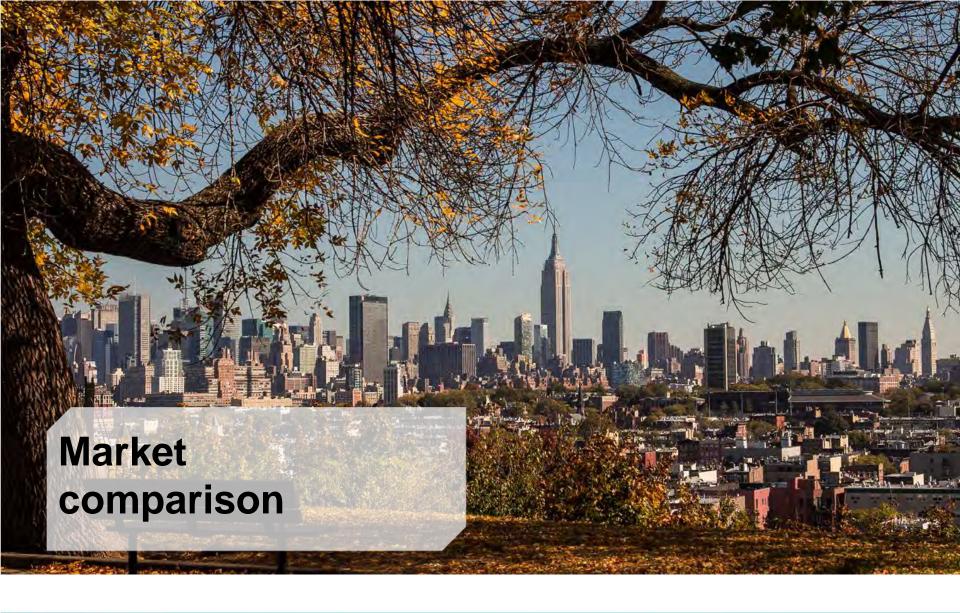




Dean Street, Brooklyn









The Heights, Jersey City





Purchase comparison - QLD



The Heights, Jersey City

Price: \$710,000

Style: 2 family home

7 bed / 3 bath / 2 car

Rent: \$900 per week

Gross yield: 6.6%



Price: \$705,000

Style: Single family home

3 bed / 2 bath / 2 car

Rent: \$500 per week

Gross yield: 3.7%



Lending comparison - QLD

| | New York | QLD |
|---------------------------------|-----------|---|
| Purchase price | \$700,000 | \$700,000 |
| Loan to Value Ratio (LVR) | 75% | 90% + Lenders Mortgage Insurance (LMI) |
| Total upfront costs and deposit | \$199,000 | \$98,525 |
| Difference | | \$100,475 |



Team objectives

