

# ASX Announcement – Australian Unity Office Fund

2 February 2022

## Market update

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

As disclosed in AOF's announcement of 17 January 2022, preliminary independent valuations have been received for all seven assets held by AOF as at 31 December 2021. The valuations reflect an overall net increase of approximately \$10 million above prior independent valuations and approximately \$4 million above the immediately preceding book value. The preliminary December 2021 total portfolio value of \$586.5 million reflects a weighted average capitalisation rate of 5.74%.

### December 2021 preliminary valuations<sup>1</sup> and portfolio metrics

Property	Independent Valuation	Capitalisation rate	NLA <sup>2</sup> (sqm)	Value \$/sqm	WALE <sup>3,4</sup> (years)	Occupancy (by NLA) <sup>4</sup>
2-10 Valentine Ave, Parramatta, NSW	\$149.5m	5.50%	16,020	9,332	0.5	97.3%
5 Eden Park Drive, Macquarie Park, NSW	\$80.0m	5.25%	11,556	6,923	3.5	100.0%
2 Eden Park Drive, Macquarie Park, NSW	\$62.5m	5.50%	10,346	6,041	2.4	100.0%
150 Charlotte St, Brisbane, QLD	\$93.0m	6.00%	11,081	8,393	2.2	94.6%
30 Pirie St, Adelaide, SA	\$89.0m	6.88%	24,665	3,608	1.2	98.0%
468 St Kilda Rd, Melbourne, VIC	\$81.0m	5.13%	11,211	7,225	4.1	91.9%
64 Northbourne Ave, Canberra, ACT	\$31.5m	6.25%	6,375	4,941	2.9	94.4%
<b>Total (T) / Weighted Average (W)</b>	<b>\$586.5m (T)</b>	<b>5.74% (W)</b>	<b>91,254 (T)</b>	<b>6,427 (W)</b>	<b>2.1 (W)</b>	<b>96.9% (W)</b>

Throughout the first half of FY22 AOF executed leases over 4,500 sqm, representing approximately 5% of the portfolio by net lettable area and signed heads of agreement over an additional 2,100 sqm, representing a further 2.4% of the portfolio by net lettable area.

The majority of the leasing transactions were at 5 Eden Park Drive, Macquarie Park, and 64 Northbourne Avenue, Canberra, improving occupancy and contributing to strong valuation

<sup>1</sup> Preliminary valuations are subject only to finalisation and approval of the half year accounts by the AUIREL Board

<sup>2</sup> NLA means net lettable area

<sup>3</sup> WALE means weighted average lease expiry in years, by gross property income

<sup>4</sup> As at 31 December 2021

**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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gains for these assets. At 5 Eden Park Drive occupancy increased to 100% and at 64 Northbourne Avenue occupancy increased to 94%, compared to 80% at 30 June 2021.

At 150 Charlotte Street, Brisbane the independent valuer adopted additional allowances to take into consideration the lease expiry profile for that asset, resulting in a valuation decrease of \$4 million to \$93 million.

The balance of AOF's assets were broadly in line with the independent valuations as at 30 June 2021.

AOF's Fund Manager Nikki Panagopoulos said:

“Transactional activity across Australian office markets maintained a solid pace throughout the first half of FY22. Buyer appetite for well-located good quality office assets with opportunity to add value remains strong, as demonstrated by the divestment of AOF's asset at 32 Phillip Street, Parramatta in December 2021 at a 5% premium to the 30 June 2021 independent valuation.”

“Leasing conditions for our multi-tenanted assets remains active, in particular for sub-500 sqm occupiers, with our valuations remaining robust.”

“AOF will continue to focus on initiatives to maximise value for unitholders, including leasing activity, progressing our value-add development opportunities and investigating further asset sales. In this regard AOF is in the process of seeking proposals from real estate sales agents. We will keep unitholders updated as these initiatives are progressed, including if real estate sales agents are appointed.”

### Half year FY22 results

AOF expects to release its results for the half year 2022 on Tuesday, 22 February 2022.

#### Authorised by:

AUIREL Disclosure Committee

#### Contact information

Nikki Panagopoulos  
Fund Manager – AOF  
Phone: +61 401 100 075

#### 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). 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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