

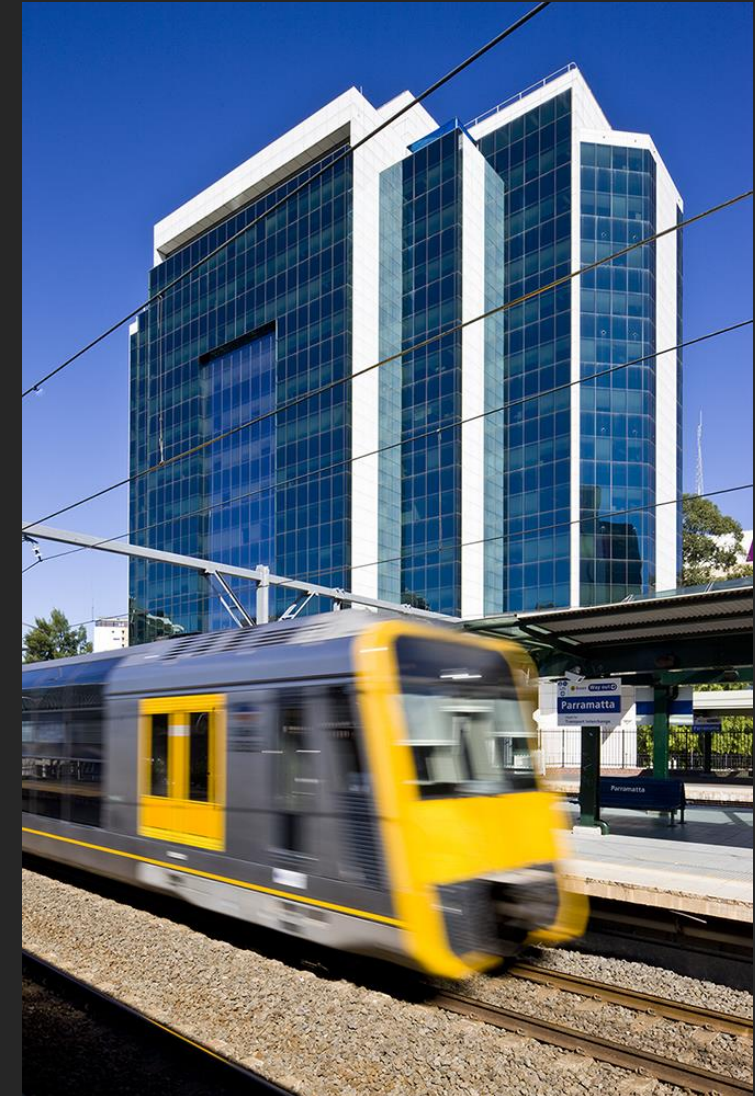
23 February 2021

AUSTRALIAN UNITY OFFICE FUND

2021 HALF YEAR RESULTS

Webcast: <https://webcast.boardroom.media/australian-unity-office-fund/20200823/NaN6004f45a80434f001ae2f2f6>

Teleconference: <https://s1.c-conf.com/diamondpass/10011897-jsg986.html>



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AOF's RESULTS

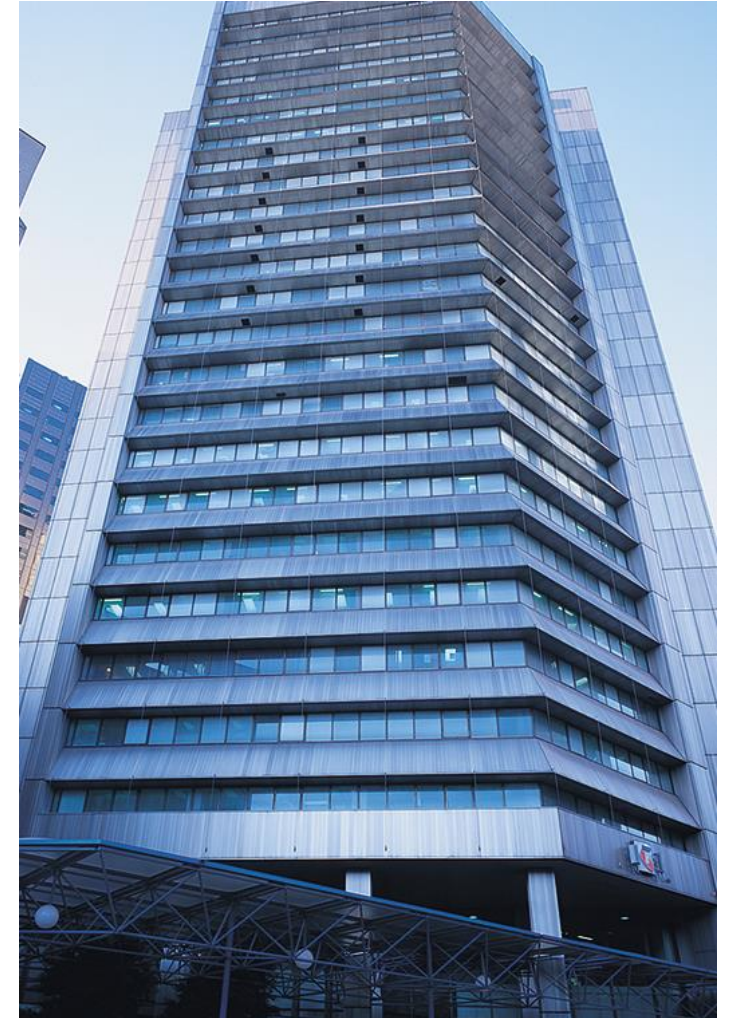


468 St Kilda Rd, Melbourne

AOF & OFFICE THEMATIC

Improving Outlook

Performance	<ul style="list-style-type: none">• Strong half year result• Increasing occupancy• Robust collections• FFO guidance provided
Tenant requirements	<ul style="list-style-type: none">• Cost effective accommodation• Working closer to home with parking availability• Staff amenity
Portfolio Construction	<p>Focused on</p> <ul style="list-style-type: none">• Affordability• Amenity• Accessibility
Improving outlook	<ul style="list-style-type: none">• Positive economic indicators• COVID-19 well under control, vaccinations starting• Office utilisation rates trending upwards
Tenant demand	<ul style="list-style-type: none">• SMEs active• Larger tenants assessing requirements - decisions expected in near future

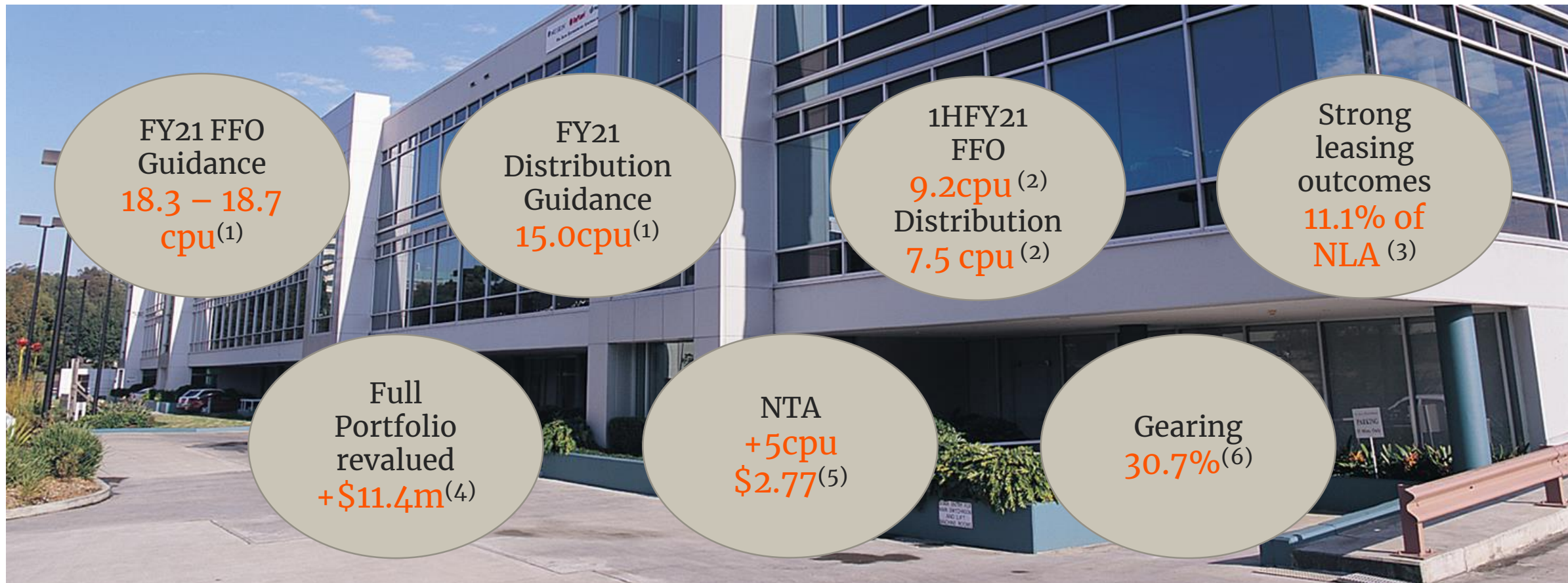


AOF's FY21 HALF YEAR RESULT HIGHLIGHTS

Distribution yield of 7.1% (on 19 Feb 2021 closing price of \$2.12)

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1. FY21 Funds From Operations (FFO) earnings guidance of 18.3 – 18.7 cents per unit and FY21 Distribution guidance of 15.0 cents per unit, subject to no material change in market conditions, no material change to the portfolio and no unforeseen events

2. FFO of 9.2 cents per unit and Distribution of 7.5 cents per unit for the half year ended 31 December 2020

3. ~12,000 sqm leased or under heads of agreement for the half year ending 31 December 2020

4. Portfolio revalued at 31 December 2020 with Investment Properties valuations increasing to \$681.05 million (\$669.65 million at 30 June 2020)

5. Net Tangible Assets of \$2.77 as at 31 December 2020 (\$2.72 as at 30 June 2020)

6. Gearing as at 31 December 2020 is calculated by dividing interest bearing liabilities (excluding unamortised establishment costs) less cash by total tangible assets less cash

2 Eden Park Drive, Macquarie Park

COVID-19

Maintaining strong collections and finalising rent relief

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1. Collections, including payment of arrears, as a percentage of billings averaged 98.3% for the period 1 July 2020 to 31 December 2020
2. Approximately 16% of the Scheme's tenants, by average monthly gross income, have requested proportionate rent relief under the Code (11% as at 30 June 2020)
3. At as 31 December 2020, approximately 5% of tenants, by average monthly income, had outstanding rent relief requests
4. Approximately \$451,000 of rent waivers were provided to tenants during the half year ended 31 December 2020
5. The Scheme agreed to defer approximately \$298,000 of tenants' rental payments during the half year end 31 December 2020

64 Northbourne Ave, Canberra

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FINANCIAL RESULTS



150 Charlotte St, Brisbane

FINANCIAL RESULTS

Half year 2021 – key financial metrics

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Key financial metric	1H FY21	1H FY20	Change
Profit attributable to shareholders	\$20.1m	\$23.0m	-\$2.9m
Directors' assessment of FFO ⁽¹⁾	\$15.1m	\$15.3m	-\$0.2m
FFO per unit ⁽¹⁾	9.2 cents	9.4 cents	-0.2 cents
Distribution	\$12.2m	\$13.0m	-\$0.8m
Distribution per unit	7.5 cents	8.0 cents	-0.5 cents
NTA per unit	\$2.77 ⁽²⁾	\$2.72 ⁽³⁾	+\$0.05

- All assets were independently revalued as at 31 December 2020 with NTA increasing by 5 cents per unit during the half year
- Statutory net profit down \$2.9 million compared to prior year, driven by lower valuation uplift and the impact of straight lining of rental income
- 1HFY21 profit and FFO include a \$0.473 million (or ~0.3 cpu) doubtful debt provision and bad debt expense
- Rent waivers of \$0.451million in relation to COVID-19 rent relief were provided in 1HFY21

1. FFO means Funds From Operations. When assessing FFO, Directors also add back rental abatement incentive to ensure consistency of treatment with fitout and rent free incentives
2. As at 31 December 2020
3. As at 30 June 2020

CAPITAL MANAGEMENT

Strong position with 30% gearing and no debt expiries until October 2022

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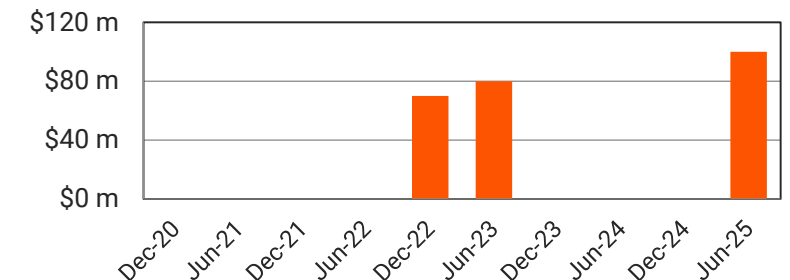
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	31 Dec 2020	30 June 2020	Change
Net borrowings ⁽¹⁾	\$209.5m	\$210.0m	-\$0.5m
Total debt facilities	\$250.0m	\$250.0m	-
Gearing ⁽²⁾	30.7%	31.2%	-0.5%
Weighted average cost of debt	3.0%	3.1%	-0.1%
Weighted average debt term to maturity	3.0 years	3.5 years	-0.5 years
Interest cover ratio	4.5x	4.1x	+0.4x
Weighted average interest rate of swaps ⁽³⁾	1.6%	1.7%	-0.1%
Weighted average term of interest rate hedging	3.6 years	4.1 years	-0.5 years
DRP – average participation rate ⁽⁴⁾	27%	-	27%

1. Net borrowings represent the bank loans, excluding unamortised borrowing costs, less cash
2. Gearing is interest bearing liabilities (excluding unamortised establishment costs) less cash divided by total tangible assets less cash
3. Excludes financier's margin, line fee and establishment fee, and excludes any forward dated interest rate swaps
4. The distribution reinvestment plan (DRP) was activated for the September 2020 distribution onwards

- Debt diversified by three separate tranches and two major banks (CBA and NAB)
- No debt maturities until October 2022
- The average cost of debt reduced from 3.1% to 3.0%
- 77.3% hedged as at 31 December 2020 (78.8% as at 30 June 2020)
- DRP activated for September 2020 distribution onwards. 22% participation rate in September and 32% December 2020

Debt facility expiry profile as at 31 December 2020



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PORTFOLIO MANAGEMENT



64 Northbourne Ave, Canberra

PORTFOLIO WELL POSITIONED

AOF markets:

- 9 assets weighted 62% by book value to metro markets and 38% to capital city CBDs (excluding Sydney and Melbourne CBDs)⁽¹⁾
- Expected to outperform major CBDs due to tenants focusing on:
 - **Affordability**
 - **Amenity**
 - **Accessibility**
- COVID-19 likely to accelerate this trend as companies look to reduce costs and employees seek to minimise travel time
- AOF's **gross effective market rents** are between 31.5% - 48.8% of Sydney CBD gross effective rents⁽²⁾
- AOF's existing leases typically contain **annual fixed rental increases of 3.0% to 4.0%**

Market	Prime Gross Effective Rent (\$/sqm)	Market Gross Effective Rent % of Sydney CBD
Sydney CBD	930	-
North Sydney	688	74.0%
Parramatta	454	48.8%
Macquarie Park	378	40.7%
Melbourne CBD	546	58.7%
Melbourne Fringe	432	46.5%
Brisbane CBD	407	43.8%
Adelaide CBD	293	31.5%
Perth CBD	444	47.8%
Canberra CBD	346	37.2%

1. As at 31 December 2020

2. Source: JLL data as at 31 December 2020

AOF markets in bold

Source: Australian Unity and JLL data as at 31 December 2020

PORTFOLIO HIGHLIGHTS

Well positioned portfolio with occupancy increased

1	Occupancy increased 1.6% to 95.3% ⁽¹⁾ (93.7% as at June 2020) with over 12,000 sqm of leasing and heads of agreement reached
2	Limited expiries in FY21 at 2.7% of the portfolio ⁽¹⁾ , 2.0% if current HOA convert to leases. with only one expiry over 400 sqm not either leased or under offer
3	5 Eden Park Drive: CPSA lease restructured in August 2020 to two potential growth companies with 3 year extension to one tenant (until June 2029). Independent valuation increased by \$4 million
4	AOF's existing leases typically contain annual fixed rental increases of 3.0% to 4.0%
5	Full portfolio independently revalued as at 31 December 2020, with COVID-19 implications addressed and market allowances for future expiries



5 Eden Park Drive, Macquarie Park

1. By Net Lettable Area

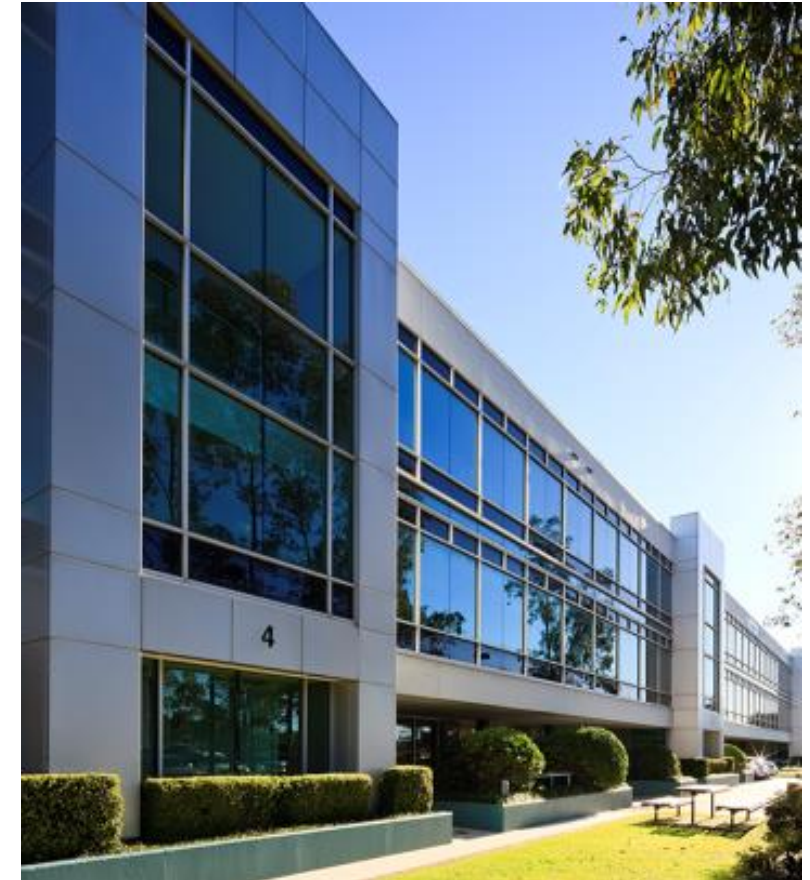
LEASING

Solid leasing across the portfolio

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- Leasing activity of ~12,000 sqm in 1H FY21:
 - comprising ~11,200 sqm (or ~10.4% of the portfolio⁽¹⁾) of completed leases in 1H FY21 (17 transactions)
 - and a further ~800 sqm (or ~0.7 % of the portfolio⁽¹⁾) of leasing deals either completed or under signed heads of agreement post 31 December 2020
- Notable activity:
 - 5 Eden Park Dr: approx. 7,300 sqm of leasing, 1 speculative fitted tenancy remains
 - 2 Eden Park Dr: approx. 2,300 sqm of leasing, now 100% leased and only 1 suite left which expires in FY21
 - 241 Adelaide St: approx. 2,000 sqm of leasing across 8 leases/HOA, occupancy up 9.5% to 95.2%
 - 64 Northbourne Ave: 3 smaller suites leased or under HOA



2 Eden Park Drive, Macquarie Park

1. By Net Lettable Area

VACANCY & EXPIRY

2.7% of expiries in FY21

- **Vacancy:** 4.7%⁽¹⁾ of portfolio
 - only 1 area over 1,000 sqm
- **FY21 expiries:** 2.7%⁽¹⁾ of portfolio
 - Only 1 tenancy over 400 sqm not leased / under HOA.



241 Adelaide Street, Brisbane

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Current Vacancies	sqm
64 Northbourne - L5	1,027
30 Pirie St - Part L22 & Part L23	963
468 St Kilda Rd - Part L1	700
5 Eden Park Drive – Part L3	431
10 Valentine Ave - Ground	426
Vacancies (sub 400 sqm)	1,522
Total Vacancy	5,068
% of portfolio	4.7%

FY21 Expiries	sqm
2 Eden Park Drive	
Unit 6 (under HOA)	694
Unit 5	429
Other FY21 expiries (sub 400sqm)	1,755
Total FY21 Expiries	2,878
% of portfolio	2.7%

MAJOR EXPIRIES (FY22+)

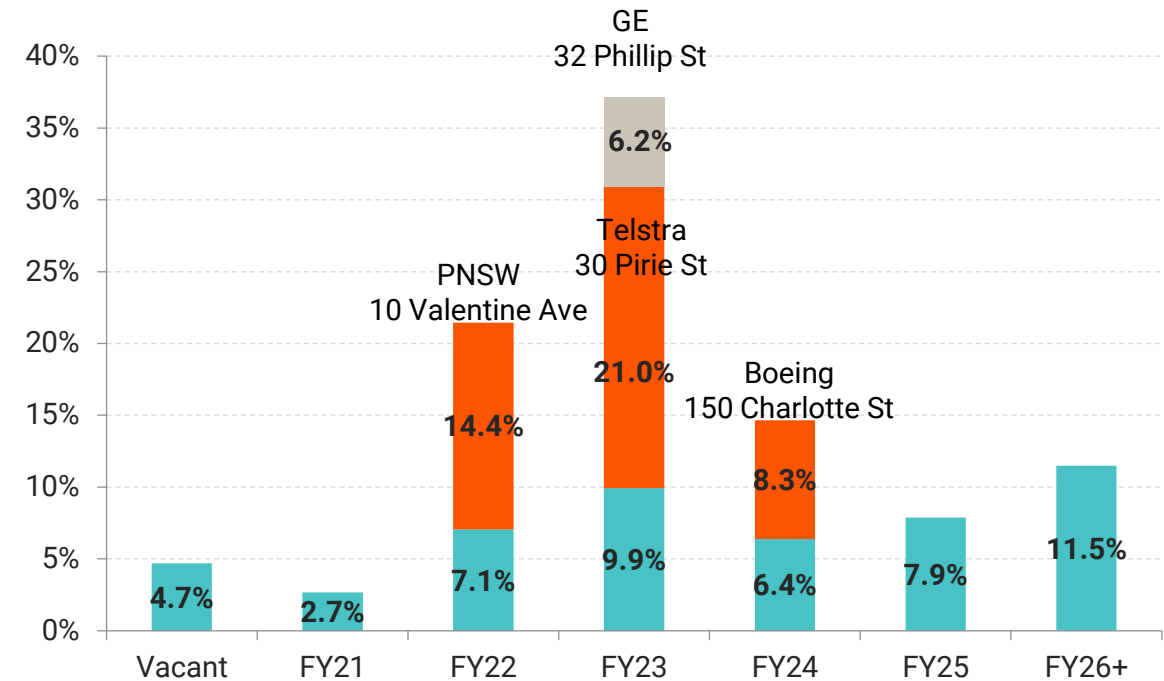
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Focus on de-risking major expiries

- **10 Valentine Ave, Parramatta** (14% of NLA, June 2022)
 - In active dialogue, Property NSW reviewing space requirements
 - 5 year option, exercise by 30 June 2021
- **30 Pirie St, Adelaide** (21% of NLA, February 2023)
 - In active dialogue, Telstra currently considering future space requirements and expected to downsize / 5 floors currently sub-let to a range of tenants
 - 5 year option, exercise by 28 Feb 2022
- **32 Phillip St, Parramatta** (6% of NLA, June 2023)
 - In active dialogue. There are a range of sub-tenants which may provide the opportunity to go direct
 - 5 year option, exercise by 30 June 2022
- **150 Charlotte St, Brisbane** (8% of NLA, June 2024)
 - Targeted capex to enhance tenant experience
 - 5 year option, exercise by 31 Dec 2023

Lease expiry profile ⁽¹⁾



1. As at 31 December 2020, by Net Lettable Area

VALUATION SUMMARY

All assets independently valued at 31 December 2020

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Property	Independent Valuation (\$m)	Change in Valuation (\$m)	Current cap rate (%)	Cap rate change (%) ⁽¹⁾	Change in 5 year CAGR (%) ⁽²⁾
2-10 Valentine Ave	152.65	+18.15	5.50%	0.00%	-0.5%
30 Pirie St	108.00	-4.00	7.125%	0.00%	+0.1%
150 Charlotte St	97.00	-3.00	6.00%	0.00%	0.0%
468 St Kilda Road	76.50	-2.50	5.25%	0.00%	+0.2%
5 Eden Park Drive	70.00	+4.00	6.00%	-0.25%	-0.2%
32 Phillip St	65.50	0.00	5.50%	0.00%	-0.0%
2 Eden Park Drive	54.50	+4.50	6.25%	-0.25%	-0.4%
241 Adelaide St	31.50	-5.25	7.25%	+0.25%	-0.4%
64 Northbourne Ave	25.40	-0.50	7.25%	0.00%	0.0%
Total (T) / Weighted Average (W)	681.05 (T)	+11.40 (T)	6.02% (W)	-0.07% (W)	-0.1% (W)

1. Change in Capitalisation rate from 30 June 2020 independent valuation
2. Change in compound average growth rate from 30 June 2020 independent valuation

- Full portfolio independently revalued as at 31 December 2020
- Portfolio capitalisation rate reduced by 7 basis points from 30 June 2020 independent valuations
- Portfolio weighted average capitalisation rate now 6.02%
- Valuations have lower growth rates, higher incentives and higher downtime allowances compared to pre-COVID valuations
- Valuations include market downtime assumptions and incentive allowances for all future expiries (including for major expiries)

2 VALENTINE AVE, PARRAMATTA

Development opportunity well advanced

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Progress during FY21

- Buildcorp have completed initial early works
- 2-10 Valentine Avenue: valuation up \$18.15 million⁽¹⁾ vs June 2020
- Joint leasing agents being appointed to maximise market coverage

Immediate focus and outlook

- Finalise design linking 2 & 10 Valentine Ave and lodge for development approval. Design presents campus style offering providing greater flexibility with another option to increase accessibility and amenity
- Obtain tenant pre-commitment

Estimated returns / impact

- Forecast yield on cost: 6.5%+⁽¹⁾
- Significant improvement in portfolio metrics



Artists impression of 2 Valentine Ave, Parramatta
(subject to change)

1. Valuation increased to \$152.65 million at 31 December 2020 from \$134.50 million at 30 June 2020

2. Based on a number of publicly available current property market assumptions, plus an assumption that additional units are only issued to fund the Parramatta development to maintain gearing at ~30%, and AOF's target fully-let yield on build cost of 6.5%+

<https://2valentine.com.au/>

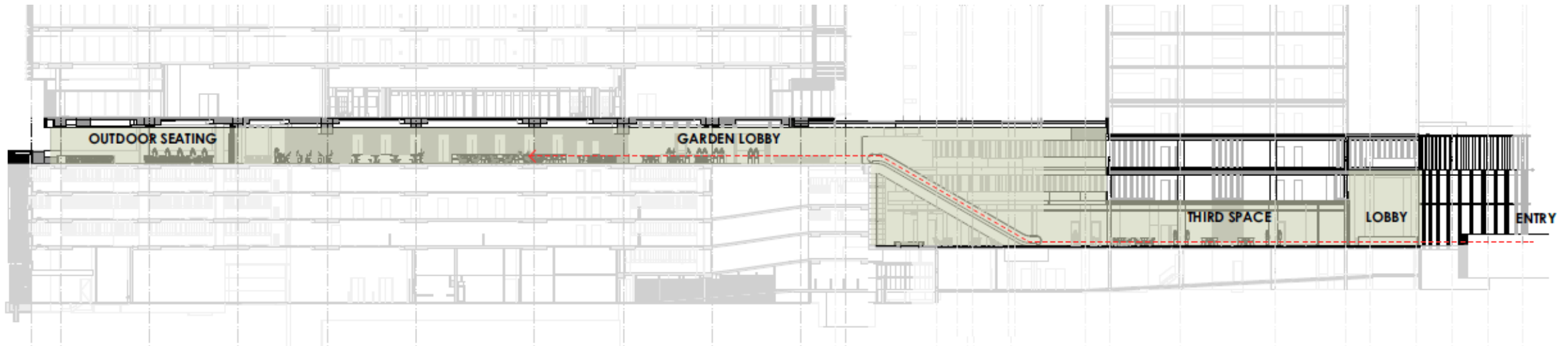
2 VALENTINE AVE, PARRAMATTA

Combined building DA being developed to enhance flexibility

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Potential design of 2-10
Valentine Avenue



Potential design of 2-10 Valentine Ave, Paramatta link (subject to change)

PORTFOLIO OPPORTUNITIES

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2 Eden Park Drive, Macquarie Park

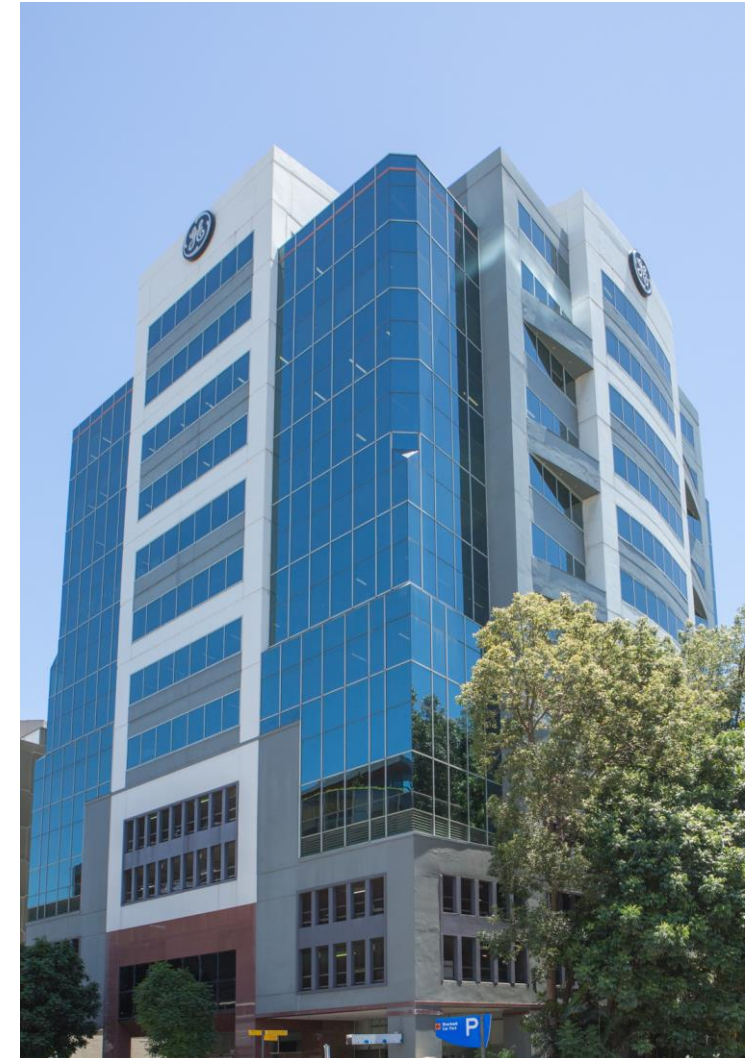
- Area benefitting from Macquarie Park metro
- Building is currently developed to ~1:1 FSR
- Ability to develop to 3:1 FSR under current zoning
- Strategic Alliance including DPIE & Greater Sydney Commission looking at long term opportunities for the precinct

32 Phillip St, Parramatta

- Area transforming with Powerhouse Museum, Light Rail and proposed Civic Walk (pedestrian access to Parramatta Station)
- Investigating options to improve amenity and leverage off Powerhouse Museum precinct & Civic Walk

241 Adelaide St, Brisbane

- Asset deemed non-core due to diminishing leasehold structure
- Party in exclusive Due Diligence
- Potential to recycle capital



32 Phillip St, Parramatta

ENVIRONMENTAL

Current status and focus

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Property	NABERS Energy	NABERS Water
10 Valentine Ave, Parramatta	5.0	4.0
32 Phillip St, Parramatta	3.5	3.5
5 Eden Park Drive, Macquarie Park	4.5	2.0
2 Eden Park Drive, Macquarie Park ⁽¹⁾	N/A	N/A
150 Charlotte St, Brisbane	5.0	3.5
241 Adelaide St, Brisbane ⁽²⁾	3.0	5.5
30 Pirie St, Adelaide	3.5	4.5
468 St Kilda Rd, Melbourne	4.0	3.0
64 Northbourne Ave, Canberra	4.5	3.5
Average: ⁽³⁾	4.1	3.7

1. 2 Eden Park is not rated due to significant warehouse component
2. 241 Adelaide is a leasehold asset with Brisbane Club as a major occupier
3. Average is for properties which have a rating
4. Current design, subject to change

- Portfolio focus on improving environmental credentials
- Solar installation of over 150 kW currently being installed at 2 & 5 Eden Park Drive, Macquarie Park.
- Reviewing other assets for solar installations
- Environmental performance a key consideration of upcoming refurbishments
- 2 Valentine design⁽⁴⁾ has leading Environmental credentials
 - 6 Star Green Star
 - 5.5 Star NABERS Energy
 - Gold Well Rating (base building)
 - Electric charging for cars and bicycles



5 Eden Park Drive – install configuration

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OUTLOOK



OUTLOOK

Economic indicators improving

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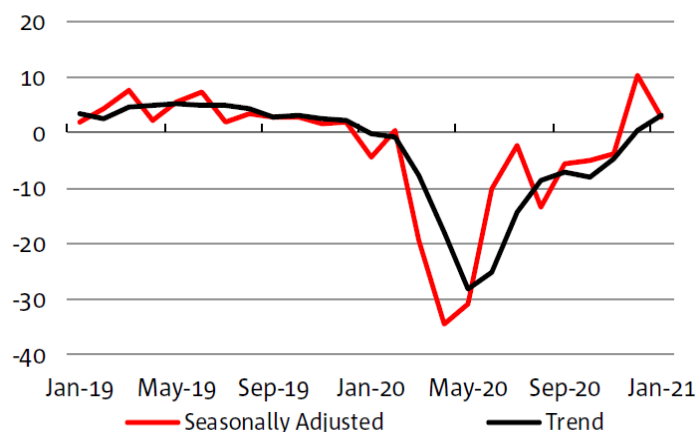
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Real GDP forecast to bounce in CY21 (+3.7% vs -2.8% for CY20)⁽¹⁾

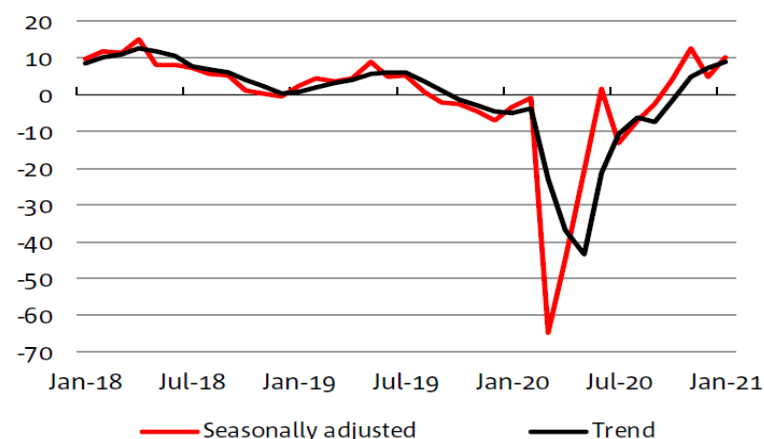
NAB business survey⁽²⁾ – positive outlook:

- Employment positive at +3 for January
- Business confidence rose in January to +10, above long-run average
- Business conditions positive at +7 after multi year high in December (+16)

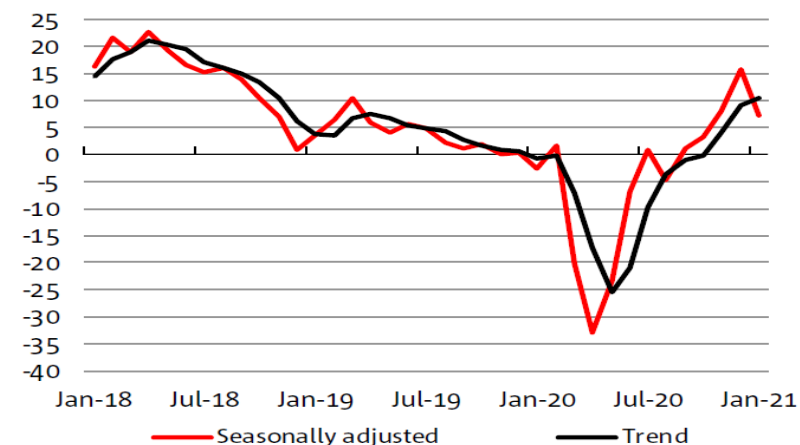
Employment



Business Confidence (Net Balance)



Business Conditions (Net Balance)



1. Source: Bloomberg Consensus 16 Feb 2021
2. Source: NAB, Monthly Business Survey January 2021

OUTLOOK

Office market implications

COVID-19

- COVID vaccines approved and being roll out
- Most states have COVID well under control

Office occupancy rates (January 2021) – typically trending up

- Adelaide & Canberra: ~68%
- Perth: ~66%
- Brisbane: ~62%
- Sydney: ~44%
- Melbourne remains low due to various lock-downs / restrictions

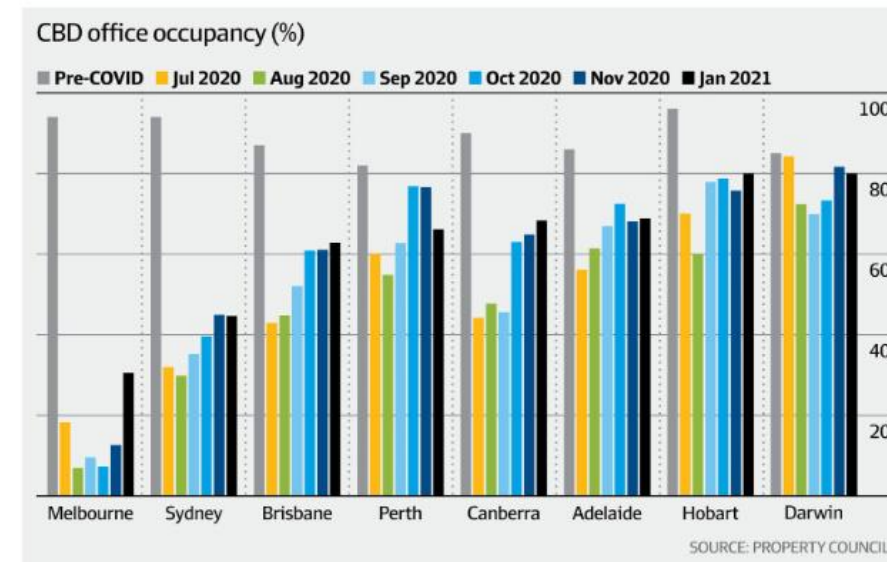
Low interest rate environment supporting income and asset valuations

- Official Cash Rate 0.1%
- 10 year bond yield ~0.97%
- AOF Market Prime Mid-point yields range from 5.26% - 6.00% (refer Appendix)⁽¹⁾

1. Source: JLL Research, Bloomberg, Australian Unity

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Source: Property Council of Australia, Australian Financial Review

OUTLOOK

Maintaining focus on delivering the best possible returns

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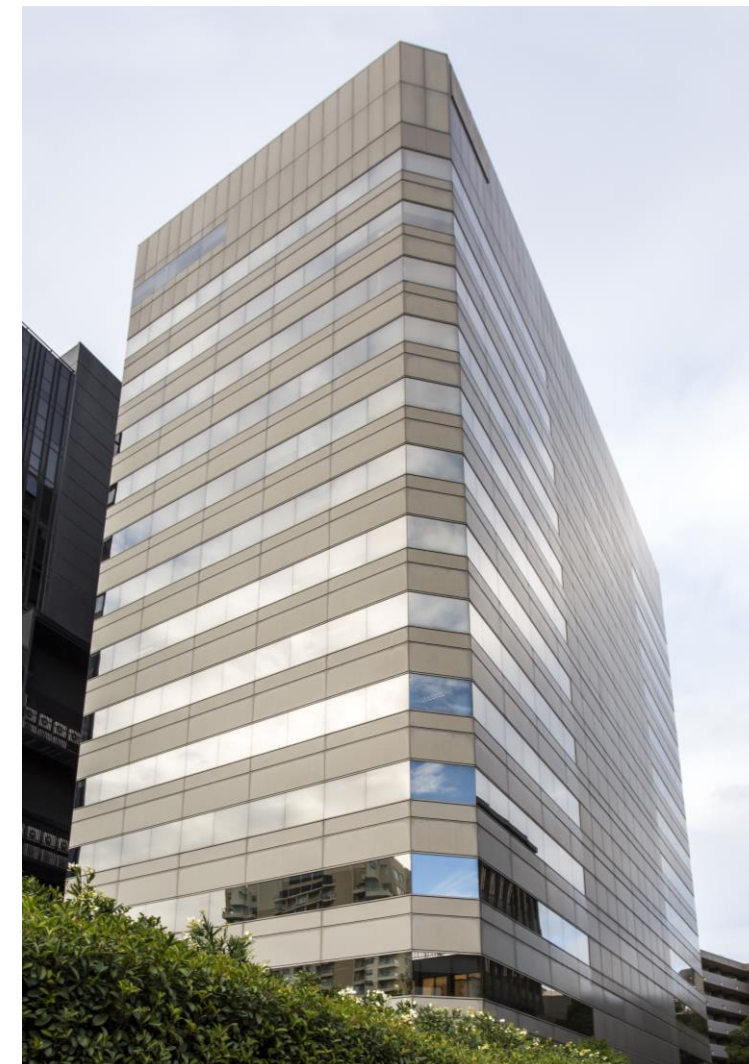
Guidance

- FY21 Directors' assessment of FFO guidance provided at 18.3–18.7 cpu^(1,2) (FY20: 18.2cpu)
- FY21 distribution guidance of 15.0 cpu⁽²⁾ reaffirmed (FY20: 15.0 cpu)

Strategic Assessment

- Directors and Management remain focused on delivering the best possible returns for unitholders
- Portfolio remains well positioned but unit trading price continues to reflect a significant discount to NTA
- Directors and Management are currently undertaking a strategic assessment, in conjunction with adviser Highbury Partnership
- The strategic assessment will examine all options to enhance value to, and generate returns for, unitholders
- Outcomes and conclusions will be communicated to the market over the coming months

1. When assessing FFO, Directors also add back rental abatement incentive to ensure consistency of treatment with fitout and rent free incentives
2. For 12 months to 30 June 2021 subject to no material change in market conditions, no material change to the portfolio and no unforeseen events



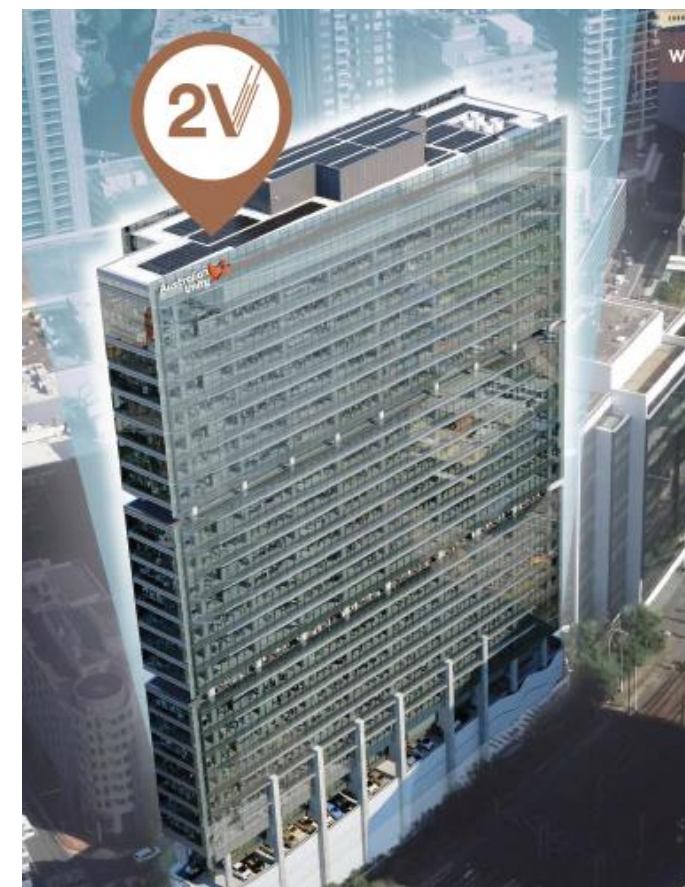
468 St Kilda Road, Melbourne

OUTLOOK

Maintaining focus on delivering the best possible returns

Near term priorities

- Deal expeditiously on upcoming major expiries and renew major tenants, go direct with sub-tenants
- Recycle capital through the planned sale of 241 Adelaide Street, Brisbane
- Finalise design and lodge for DA for 2-10 Valentine combined building option
- Seek tenant pre-commitment for 2 Valentine Avenue, Parramatta
- Progress the strategic assessment
- COVID-19 – tenant and staff safety, finalise outstanding rent relief negotiations with tenants and position for future recovery
- Address current vacancy and pending lease expiry risk
- Maintain a strong capital structure, with DRP expected to continue
- Continue to explore value add opportunities at 2 Eden Park Drive, Macquarie Park and 32 Phillip Street, Parramatta



2 Valentine Avenue, Parramatta
Image is an artist's impression and subject to change

APPENDICES



5 Eden Park Drive, Macquarie Park

INCOME STATEMENT

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6 months to 31 December	1H FY21 (\$'000)	1H FY20 (\$'000)	Change (\$'000)
Rental income ⁽¹⁾	28,182	29,133	(951)
Property expenses ⁽²⁾	(8,184)	(8,328)	144
Straight lining of rental income and amortisation of leasing commissions and tenant incentives	(4,026)	(1,940)	(2,086)
Net property income	15,972	18,865	(2,893)
Interest income	1	3	(2)
Net (losses)/gains on financial instruments held at fair value	(313)	249	(562)
Net fair value increment of investment properties	10,483	12,342	(1,859)
Responsible Entity fees	(2,069)	(2,057)	(12)
Borrowing costs	(3,360)	(3,840)	480
Other expenses	(605)	(2,545) ⁽³⁾	1,940
Profit attributable to unitholders	20,109	23,017	(2,908)

1. Rental income does not include the impact of straight lining of rental income

2. Property expenses includes the provision for doubtful debts but does not include the amortisation of leasing commissions and tenant incentives

3. Other expenses for the half-year ended 31 December 2019 includes \$1,900,000 of costs the Scheme incurred in relation to the CHAB transaction. As these costs are one off in nature, and not part of the underlying and recurring expenses of the Scheme, the directors have excluded them from the FFO calculation

RECONCILIATION OF STATUTORY PROFIT TO FFO

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6 months to 31 December	1H FY21 (\$'000)	1H FY10 (\$'000)	Change (\$'000)
Net Profit	20,109	23,017	(2,908)
Adjusted for:			
Straight lining of rental income and amortisation of leasing commissions and tenant incentives	4,026	1,940	2,086
Net losses / (gains) on financial instruments held at fair value	313	(249)	562
Net fair value increment of investment properties	(10,483)	(12,342)	1,859
Amortisation of borrowing costs	135	147	(12)
One off adjustment	-	1,900 ⁽¹⁾	(1,900)
Add Back: Rental abatement incentives ⁽²⁾	1,003	915	88
Directors' assessment of Funds From Operations	15,103	15,328	(225)
Distributions	12,236	13,026	(790)

1. Other expenses for the half-year ended 31 December 2020 includes \$1,900,000 of costs the Scheme incurred in relation to the CHAB transaction. As these costs are one off in nature, and not part of the underlying and recurring expenses of the Scheme, the directors have excluded them from the FFO calculation
2. When assessing FFO, Directors also add back rental abatement incentive to ensure consistency of treatment with fitout and rent free incentives

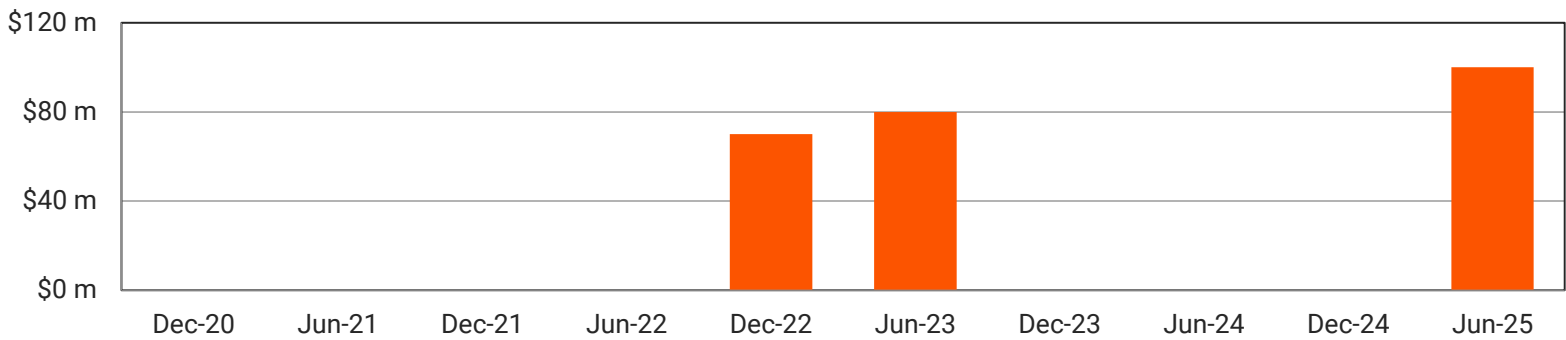
BALANCE SHEET

180
YEARS

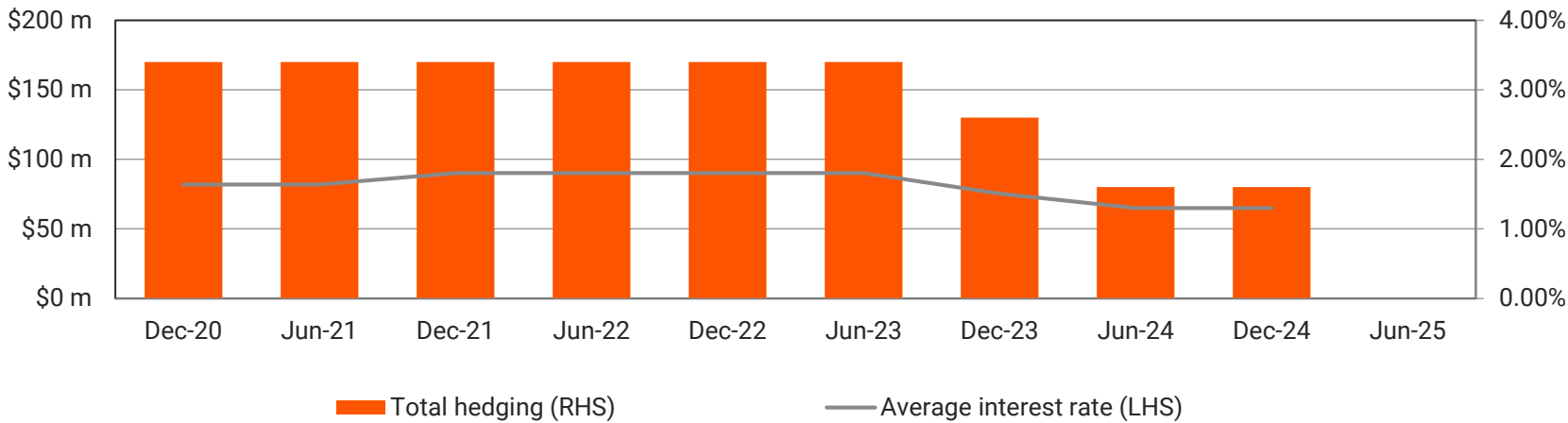


	31 December 2020 (\$'000)	30 June 2020 (\$'000)	Change (\$'000)
Assets			
Cash and cash equivalents	10,349	5,798	4,551
Receivables	1,055	1,818	(763)
Other assets	645	784	(139)
Investment properties	681,050	669,650	11,400
Total Assets	693,099	678,050	15,049
Liabilities			
Distributions payable	6,130	4,885	1,245
Payables	6,356	6,225	131
Financial liabilities held at fair value	9,533	9,221	312
Borrowings	219,024	214,889	4,135
Total Liabilities	241,043	235,220	5,823
Net Assets	452,056	442,830	9,226
Number of units on issue (million)	163.5	162.8	0.7
Net Tangible Assets per unit	\$2.77	\$2.72	\$0.05
Gearing	30.7%	31.2%	(0.5%)

Debt facility expiry profile⁽¹⁾



Interest rate hedging & average hedged interest rate⁽¹⁾



1. As at 31 December 2020

INVESTMENT PORTFOLIO

As at 31 December 2020

180
YEARS



Market	Property	State	Book Value (\$m)	Cap Rate (%)	NLA (sqm)	WALE (years) ⁽¹⁾	Occupancy (by NLA)
Parramatta	2 - 10 Valentine Ave, Parramatta	NSW	152.65	5.50%	16,020	1.5	97.3%
Parramatta	32 Phillip Street, Parramatta	NSW	65.50	5.50%	6,759	2.5	100.0%
Macquarie Park	5 Eden Park Drive, Macquarie Park	NSW	70.00	5.75%	11,556	4.5	96.3%
Macquarie Park	2 Eden Park Drive, Macquarie Park	NSW	54.50	6.00%	10,345	2.9	100.0%
Brisbane CBD	150 Charlotte St, Brisbane	QLD	97.00	6.00%	11,081	3.1	97.8%
Brisbane CBD	241 Adelaide Street, Brisbane	QLD	31.50	7.50%	10,106	2.5 ⁽²⁾	95.2%
Adelaide CBD	30 Pirie Street, Adelaide	SA	108.00	7.125%	24,665	2.2	96.1%
Melbourne Fringe	468 St Kilda Road, Melbourne	VIC	76.50	5.25%	11,211	2.5	90.6%
Canberra CBD	64 Northbourne Ave, Canberra	ACT	25.40	7.25%	6,429	3.1	77.3%
Total (T) / Weighted Average (W)			681.05 (T)	6.02% (W)	108,172 (T)	2.6 (W)	95.3% (W)

1. WALE is by Gross Property Income

2. This excludes The Brisbane Club at 241 Adelaide Street, Brisbane as the tenant has approximately 42 years remaining on the lease and would thus distort the metric

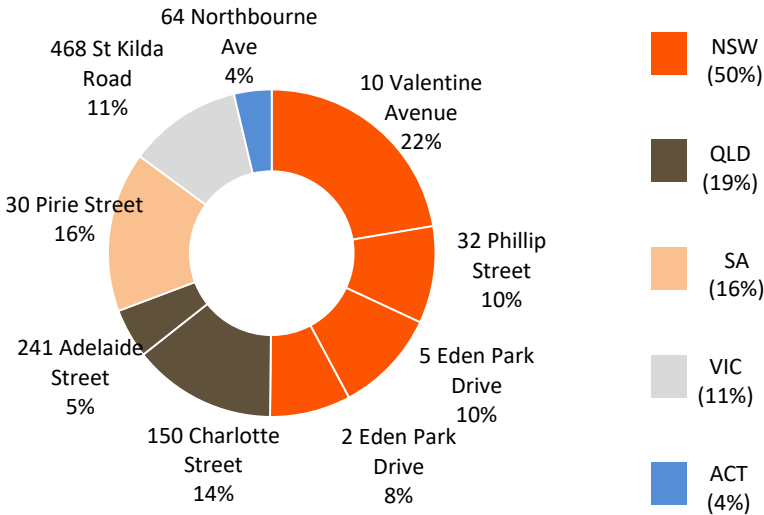
KEY PORTFOLIO METRICS

As at 31 December 2020

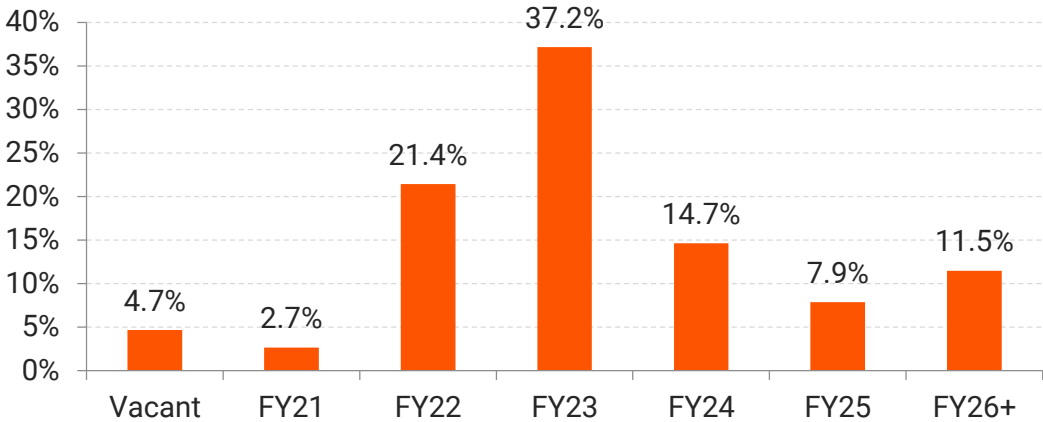
Key portfolio metrics

Number of properties	9
Occupancy ⁽¹⁾	95.3%
Portfolio Value	\$681.05m
Weighted Average Capitalisation Rate	6.02%
WALE ⁽²⁾	2.6 years
Net Lettable Area	108,172 sqm

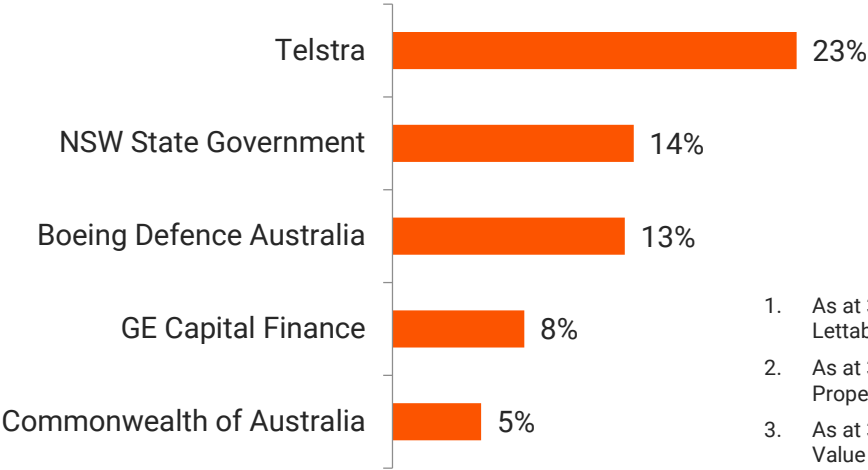
Geographic diversification⁽³⁾



Lease expiry Profile⁽¹⁾




Top 5 Tenants⁽²⁾




1. As at 31 December 2020, by Net Lettable Area
2. As at 31 December 2020, by Gross Property Income
3. As at 31 December 2020 by Book Value


Design⁽¹⁾ – wellness at its core




6-STAR
GREEN STAR RATING




5.5-STAR
NABERS ENERGY RATING




4-STAR
NABERS WATER RATING




GOLD WELL
RATING READY (BASE BUILD)




116
CAR SPOTS AVAILABLE




ELECTRIC
BICYCLE CHARGING POINTS




STAND BY
POWER AVAILABLE




ELECTRIC
CAR CHARGING POINTS




BEST IN CLASS
END-OF-TRIP FACILITIES,
LOCATED ON LEVEL 6



OPTIMISED
DAYLIGHT PENETRATION




24 LEVELS
OF PCA A-GRADE 2019
COMMERCIAL SPACE WITH
INTERCONNECTED VILLAGES




1,000sqm
ROOFTOP SOLAR FARM
PROVIDING MARKET-LEADING
ENERGY SAVINGS


Design⁽¹⁾ – occupant health front of mind




ZERO TOUCH
TAPS & SOAP DISPENSERS FOR
OPTIMAL HYGIENE




365 DAYS
YEAR ROUND NATURAL
LIGHT WITH SWEEPING OPEN
FLOORPLATES



SMART LIFT
WITH MOBILE ENABLING
CALL FUNCTIONALITY, MINIMISES
WAIT TIME AND PRACTICES
SAFE HYGIENE



A+
STATE-OF-THE-ART AIR
CONDITIONING SYSTEMS
CREATE THE IDEAL WORKING
ENVIRONMENT



153
BIKE RACKS AVAILABLE
+18 VISITOR RACKS

1. Current design, subject to change

OFFICE MARKETS

Key market statistics

180
YEARS



	Size of market (sqm)	Total Vacancy (%) 31 Dec 20	Total Vacancy (%) 31 Dec 19	Net Absorption (sqm) (12 mths)	Prime Gross Face Rent (\$ per sqm)	Face Rent Change from 31 Dec 19	Prime Gross Effective Rent (\$ per sqm)	Effective Rent Change from 31 Dec 19	Under Construction to 2023 (sqm)	Under Construction (Pre-comm)
Sydney CBD ⁽¹⁾	5,105,646	11.9%	5.0%	-278,118	1,427	2.6%	930	-11.0%	273,331	62.8%
Parramatta	832,002	10.9%	5.4%	-16,167	707	8.8%	454	-11.9%	183,940	57.3%
Macquarie Park	746,116	11.2%	5.9%	-20,973	499	2.0%	378	-3.4%	0	N/A
Brisbane CBD	2,261,224	14.0%	11.7%	-50,076	762	2.4%	407	-0.4%	104,743	64.3%
Adelaide CBD	1,449,869	16.6%	14.4%	-14,350	527	1.9%	293	0.1%	40,209	50.5%
Melbourne Fringe	1,656,413	14.7%	6.3%	-56,131	596	3.3%	432	-5.9%	233,344	43.2%
Canberra CBD	2,130,590	8.2%	10.6%	38,411	468	1.8%	346	0.3%	56,000	62.5%

Source: JLL Research

1. Sydney CBD market shown as a reference point

Market	Prime Gross Effective Rent (\$/sqm)	Effective Rent Discount to Sydney CBD	Growth in Market Gross Effect. Rent (from Dec 2015 to Dec 2020)
Sydney CBD	930	-	36.8%
North Sydney	688	26.0%	29.0%
Parramatta	454	51.2%	25.3%
Macquarie Park	378	59.3%	24.0%
Melbourne CBD	546	41.3%	34.5%
Melbourne Fringe	432	53.5%	29.7%
Brisbane CBD	407	56.2%	2.6%
Adelaide CBD	293	68.5%	-3.9%
Perth CBD	444	52.2%	-9.4%
Canberra CBD	346	62.8%	13.9%

AOF markets in bold

Source: JLL Research as at 31 December 2020

- Metro markets and other capital cities CBDs rentals at significant discount to Sydney CBD
- AOF markets show a discount of between 51.2% & 68.5% to Sydney CBD gross effective rental
- Sydney and Melbourne CBDs have experienced significant rental growth during the past 5 years, with rental growth in other areas more measured

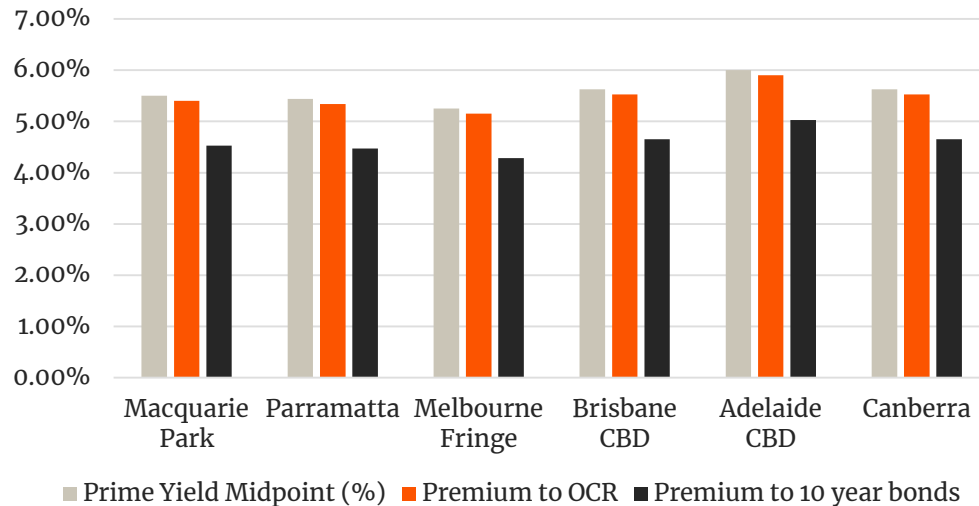
MARKET YIELDS

Commercial office yields well above bond yields

180
YEARS

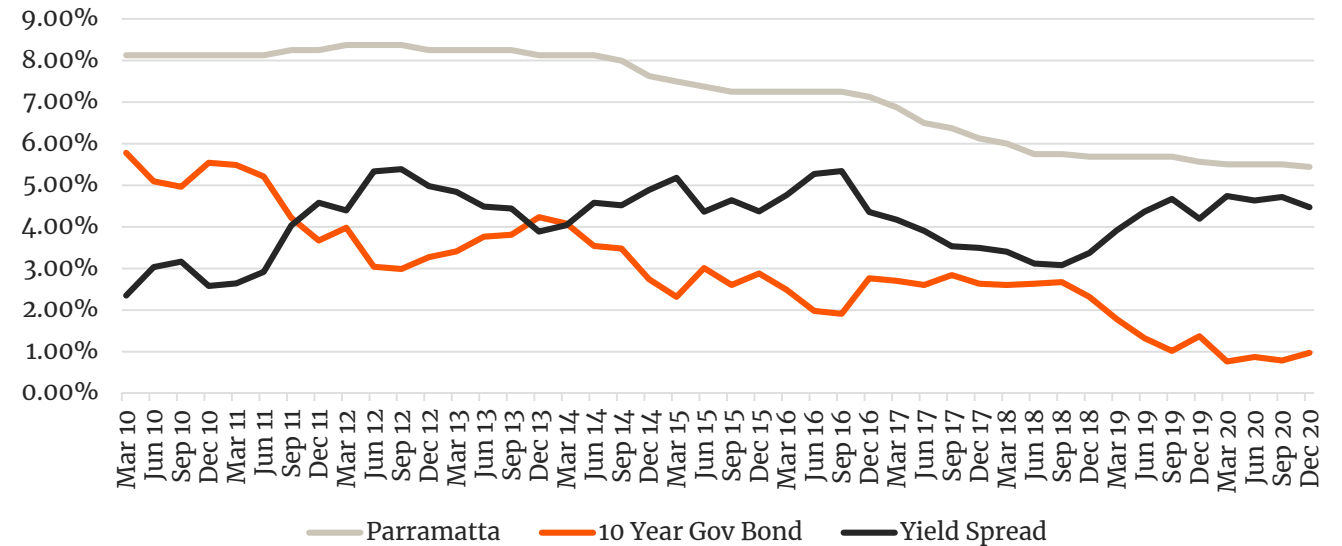


Market yields vs OCR & 10 year bonds



- Prime Market yields show a premium to the:
 - Official Cash Rate (OCR) of 5.16-5.90%
 - 10 year bond yield of 4.29-5.03%

Parramatta Prime Yield vs 10 Year Gov't Bonds



- Parramatta Prime Market yield spread to 10 Year Bonds close to record highs vs past decade

180
YEARS

