

ASX Announcement

14.12.17

Investa Office Fund (ASX:IOF)

Strong Valuation Uplifts Continue

Investa Listed Funds Management Limited, the responsible entity of Investa Office Fund (IOF or the Fund), today announces the indicative external valuation uplifts for the portfolio as at 31 December 2017.

In accordance with IOF's valuation policy, independent external valuations were obtained for five of IOF's assets located in Sydney and Brisbane, reflecting 23% of the portfolio by book value. IOF expects that the valuations will result in an increase of \$78 million to \$83 million, or approximately 8.7% to 9.3% over book value for these properties. This represents a 2% increase in the Fund's 31 December 2017 book value of the total portfolio.

Two of the assets revalued, being 6 O'Connell Street and Piccadilly Complex, are located in Sydney and have experienced strong market rent growth and capitalisation rate compression. The remaining three assets located in Brisbane, being 140 Creek Street, 295 Ann Street and 232 Adelaide Street (collectively known as The Complex), benefited from capitalisation rate compression resulting from continued demand for high quality, long leased assets.

Penny Ransom, IOF Fund Manager said: "Recent sales evidence continues to demonstrate strong investment demand for CBD office assets. This has resulted in further cap rate compression across the five assets revalued with the weighted average capitalisation rate (WACR) decreasing by 37 basis points".

IOF's portfolio is well positioned to benefit further from its 63% weighting to Sydney where market rents are forecast to increase further, investment demand is expected to remain strong, and with major opportunities to add value at Barrack Place, 347 Kent Street, and 388 George Street."

The WACR across IOF's total portfolio is expected to compress by 9 basis points from 5.74% to 5.65%. The final valuation uplift will be confirmed as part of the audit review of the 31 December 2017 accounts, and is expected to increase Net Tangible Assets by between 13 cents per unit to 14 cents per unit. Further detail on the key external valuation metrics will be released to the market as part of IOF's half year results presentation on Tuesday, 20 February 2018.

Key 31 December 2017 Independent Valuation Metrics:

Property	Prior Independent Cap Rate	Dec 17 Independent Cap Rate	Prior Independent Discount Rate	Dec 17 Independent Discount Rate
6 O'Connell Street, Sydney	5.75%	5.13%	7.00%	6.75%
Piccadilly Complex, Sydney	5.69%	5.56%	6.77%	6.69%
140 Creek Street, Brisbane	6.38%	6.00%	7.25%	6.75%
295 Ann Street, Brisbane	6.63%	6.25%	7.25%	7.25%
232 Adelaide Street, Brisbane	7.25%	7.00%	7.75%	7.50%
Weighted Averages	6.05%	5.68%	7.04%	6.82%

End

About Investa Office Fund

Investa Office Fund (ASX code: IOF) is an externally managed Australian listed real estate investment trust, included in the S&P/ASX 100 index. IOF is governed by the Independent Board of Investa Listed Funds Management Limited as responsible entity, and managed by Investa – one of Australia’s largest and most highly regarded office managers. As at 30 June 2017, IOF has total assets under management of \$3.8 billion, with 20 investment grade office buildings in core CBD markets across Australia. The Fund receives rental income from more than 400 tenants, including government agencies and blue chip organisations. IOF’s strategy is to deliver attractive risk-adjusted returns investing in high quality Australian office buildings, leveraging Investa’s fully integrated specialist property sector capabilities to outperform.

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