

Terraplex

Track Record 2023



About Terraplex

Terraplex are experts in identifying, managing and maximising value add commercial property investment opportunities

The Terraplex Approach: We partner with wholesale and sophisticated investors to provide investments in direct commercial properties in all key asset sectors. The opportunities provide regular income distributions and value accretion outcomes.

Our History: We are a boutique investment manager which was established in 2009 by Anthony Wilson and Charles Raymond and have a strong legacy of delivering market leading total returns to our investors.

Our Target Investments: We target core plus or value add investment grade properties “off market” that provide an income stream, and have potential for short to medium term value enhancement through refurbishment, re-leasing, redevelopment, repositioning or repricing. Our properties are generally in the A\$20 million to A\$80 million range. This price band sits above the scope of most HNW investors, and outside the field of vision of larger institutional investors.

Our Investors: We currently look after the investments of over 350 wholesale and sophisticated investors located all over Australia. Over half are professionally advised by one of Australia’s most well known Wealth Management Companies.

The Manager: Terraplex Directors have a history of “co-investment” in its funds. Terraplex is licensed to conduct investment management and advisory services, and holds an Australian Financial Services licence (AFSL) and a Corporate Real Estate Licence.

Sustainability: Terraplex recognises the benefit of ESG positive outcomes.

Investment Vehicles: We create single asset investment funds with fixed investment terms. Unit Trusts are our preferred legal entity.

A\$327+

MILLION

Current Funds Under
Management across 8 Funds

A\$194

MILLION

Gross Asset Value of the 5 funds
successfully closed to date

13

FUNDS

Total number of funds
established by Terraplex

18% p.a.

IRR

Average return delivered to
date across completed Terraplex
Funds

Executive Leadership Team

Fully Engaged, Experienced Executive Leadership Team

Terraplex has an established executive team with deep sector experience (> 100 years) and a track record of performance and disciplined management



Anthony Wilson
Director

Anthony is the co-founder of Terraplex and Co-Head of Capital Transactions and Asset Management. A licensed real estate agent and member of the API, he has been a licensed Valuer since 1993. Diligently working as a professional in the commercial property sector for more than 30 years, Anthony has transacted in excess of A\$1 billion worth of property across all sectors.

30
YEARS

Average experience of the leadership team



Rob Wallace
Director

Rob joined Terraplex in August 2023 as Co-Head of Capital Transactions and Asset Management. He previously held a role as CEO of a Singapore based, global Real Estate Investment Trust. Through his 30 year career he has been involved in business strategy, funds management, acquisitions and dispositions, portfolio management and capital sourcing. Rob has transacted globally more than A\$13 billion of property across all main sectors

A\$14
BILLION

Total value of transactions team has participated in over their careers



Charlie Raymond
Director

Charles is the co-founder of Terraplex and the CFO. As a Chartered Accountant with over 30 years experience in the property funds management sector, he has held directorships and senior managerial roles at APN Funds Management Ltd, ISPT, Mirvac, GRW Property and VFMC.



Nicole Bevis
Head of Fund Administration

Nicole joined the Terraplex team in 2015. Her professional experience includes 20 years in various roles within Banking & Finance. One of her responsibilities included managing teams to ensure the highest possible customer service standards were met. Nicole is committed to ensuring Terraplex clients and suppliers receive outstanding service, within a positive environment.

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PROFESSIONALS

Experienced Property and Funds Management Team

Case Study - 66 – 80 Collins Street, Hobart, TAS

Key Investment Features at Acquisition:

- The property comprises an 10,037m² A-Grade freehold office building constructed in 1997
- A premier address, centrally located in the heart of Hobart’s CBD, opposite the Royal Hobart Hospital;
- Purchased significantly below replacement cost;
- Property purchase yield 8.4%;
- ‘A’ grade office building which has been significantly refurbished over the past 10 years by an institutional owner with minimal forecast capex;
- The Royal Hobart Hospital / Health Precinct is diagonally opposite and demand for office space from Health Industry likely to be sustained for the long term;
- Fantastic opportunity to add value through renegotiating and remixing current tenancy arrangements;
- Economic rents would need to double to justify any new office development which is not going to occur. This ensures no new competing office development for the foreseeable future;
- Vacancy is at a cyclical low of 5% with the Hobart CBD having one of the lowest vacancy rates in Australia; and
- At purchase, approximately 85% leased with a WALE of approximately 2 years, anchored by Telstra and the State Government

The following table summarises some of the growth in key property statistics resulting from the asset management initiatives.

	Date of Acqn		Increase
	1-Dec-19	30-Sep-23	
Passing Net Property Income	2,104,282 m ²	3,302,730 m ²	+ 57%
Gross Rent Per M ²	\$365/m ²	\$416/m ²	+ 14%
WALE	2.1 Yrs	7.5 Yrs	+ 5.4 Yrs
Occupancy	82%	100%	+ 18%



Terraplex

Investments



789

Business
Energy Intelligence
Global Traffic

789





591 - 605 Doncaster Road, Doncaster, VIC
Completed Investment - Sold Nov 2011

The property comprised four two-level commercial buildings constructed between 1994 and 1998 with a 8,921m² NLA. The properties were on four separate titles. The investment strategy identified at purchase highlighted the opportunity to re-lease vacancies and commence a sell down of each building when the releasing of each building is complete.

Investment Outcome: A 2 year investment horizon with the majority of equity paid back from the sale of the first two buildings.

Purchase Price / Date	\$17.3m / Dec 2009
Selling Price / Date	\$23.0m / Nov 2011
Investor IRR – Post Fees	49.00% per annum



187 Todd Road, Port Melbourne, VIC
Completed Investment - Sold Nov 2017

The property comprised a three-level office building constructed on 2001 with 9,306m² NLA and 334 undercover car parks. The investment strategy identified at purchase highlighted the need to:

- Refurbish vacant space
- Re-lease vacancies.
- Reduce building operating costs.
- Sell down when the releasing was complete.

Investment Outcome: Following the re-positioning, the building was sold. All up a 3.5 year investment horizon.

Purchase Price / Date	\$26.25m / May 2014
Selling Price / Date	\$43.5m / Nov 2017
Investor IRR – Post Fees	24.80% per annum



658 Church Street, Richmond, VIC

Active Investment

The property comprises two six level commercial buildings with associated car parking constructed in late 1997 with 13,568 m² NLA and 274 car spaces.

Investment strategy: Capture capital appreciation through market rental growth, active asset management and tenancy remixing. Asset management initiatives included the construction of a new end-of-trip facility, significant upgrades to the base building, lifts, air conditioning, foyers, amenities and landscaping. This has succeeded in maintaining the building's status as a modern and desirable A-Grade workplace for existing and future tenants.

Purchase Price / Date	\$42.0m / Feb 2011
Current Valuation / Date	\$151.0m / April 2022
Capital returned to date (% of original invest.)	130.0%
Estimated IRR since inception – Post Fees	20.3% per annum



570 St Kilda Road, Melbourne, VIC

Completed Investment - Sold January 2022

The property comprises an eight level office building constructed in 1990 with an NLA of 7,737m² NLA and two basement levels with 143 carparks.

Investment Strategy: An opportunity to undertake building refurbishment, re-lease vacant space, reduce building operating costs and seek lease extension and market rental reviews on major tenant leases. Asset management initiatives include full base refurbishment to all floors, a new end-of-trip facility and a café on ground floor, along with lift, lobby and landscaping upgrades.

Purchase Price / Date	\$23.8m / Sep 12
Selling Price / Date	\$67.6m / Jan 2022
Investor IRR – Post Fees	18.1% per annum



328 – 362 Clarendon Street, South Melbourne, VIC Completed Investment - Final Lot Sale August 2023

The property comprises an entire block of prime South Melbourne real estate (2,761m²) on Clarendon Street, comprising of 27 individual tenancies (15 retail shops, 2 office tenancies and 10 residential tenancies).

Investment strategy: An opportunity to subdivide the shops and residences into separate titles to add value and re-sale flexibility.

Purchase Price (12 lots) / Date	\$26.25m / Aug 15
Gross Realisation (12 lots sold)	\$33.0m / 2018 - 2023
Realised Gain on Purchase	23.0%

18 Cato Street, Hawthorn East, VIC Active Investment

The property comprises a modern office building built in 2009 with 5,295m² NLA, and a secure ground floor/basement car park providing 152 car parking spaces. The property was fully leased to Bunnings Ltd until August 2022.

Investment strategy: An opportunity to capture the significant rent reversion and value gain in the future following a building refurbishment and re-leasing. The refurbishment was completed in mid 2023 and releasing campaign is underway. The first 1,800 m² has been leased from 1 Dec 2022.

Purchase Price / Date	\$24.7m / Feb 17
Current Valuation / Date	\$33.0m / Sep 2023
Equity Raised	\$11.98m
Capital Returned	\$1.1m
Estimated IRR to Date	8.3% per annum



675 Victoria Street, Abbotsford, VIC

Completed Investment - Sold June 2021

The property comprises a three-level office building constructed in 1987 of 3,747m² NLA.

Investment Strategy: An opportunity to undertake minor refurbishment works to lease up the first floor space that was vacant (46% of NLA). We also sought to explore the redevelopment potential for a luxury residential project given the site's Yarra River south bank location and prime northerly aspect.

Investment Outcome: Whilst in the early stages of considering the redevelopment potential asset, Terraplex received an unsolicited offer to sell the building. The very strong offer was accepted resulting in a 34% gain on the purchase price.

Purchase Price / Date	\$20.4m / Feb 2017
Selling Price / Date	\$27.3m / June 2021
Investment IRR - Post Fees	13.0% per annum



785 - 789 Toorak Road, Hawthorn East, VIC

Active Investment

The property comprises two connected buildings of high quality refurbished office space with 4,006m² NLA (Site area 3,042m²) and a secure ground floor/basement car park provides 123 car parking spaces.

Investment Strategy: Capture capital appreciation through market rental growth, active asset management and conversion from gross to net leases.

Purchase Price / Date	\$24.65m / Nov 2017
Current Valuation	\$30.00m / Nov 2022
Equity Raised	\$11.98m
Capital Returned	\$1.88m
Estimated IRR to Date	13.0% per annum



79 – 83 High Street, Kew, VIC

Active Investment

The property comprises a two storey office building with a 3,361m² NLA which has been sub-divided into 19 lots with an average area of 175m² per unit with 112 basement car parking spaces.

Investment strategy: An opportunity to capture significant rent reversion and value gains when leases expire given the below market passing rents. Also to assess further re-development potential (STCA) as the property's location and significant site area and zoning provides opportunity to add more office space on balcony areas and on the roof.

Asset management initiatives include obtaining Development Approval for the construction of two additional levels on the roof adding 2,140m² (68% increase) of additional office space. The Permit has added significant value to the property. The redevelopment works are on hold until construction costs stabilise.

Purchase Price / Date	\$19.0m / June 2019
Current Valuation	\$22.7.0m / Aug 2021



66 – 80 Collins Street, Hobart, TAS

Active Investment

The property comprises an A-Grade freehold office building constructed in 1997, centrally located in Hobart's CBD with 10,037m² NLA and 55 carparks onsite.

Investment strategy: To undertake fit out works and re-lease the vacant space to suitable tenants as well as grow rents and extend leases to the remaining tenants. We will then hold the asset for a period of 6 to 8 years by which time all the competing releasing and renewals should be completed.

Asset management initiatives include leasing vacant space and renewing leasing to Tas State Govt on long term leases. passing net income is up 57% and WALE has increased from 2.1 yrs to 7.5 years.

Purchase Price / Date	\$35.15m / Nov 2019
Valuation / Date	\$52.0m / Aug 2022
Estimated IRR to Date	19.3 % per annum



Harris Building, 51 Cattley Street, Burnie, TAS

Active Investment

The property comprises a Landmark "A" grade freehold office building with a 3,720m² NLA and 5 carparks onsite.

Investment strategy: To benefit from high income returns from Federal and State Govt tenants and seek lease extension and market rental reviews when major tenant leases come up for renewal.

Asset management initiatives include leasing of all vacant space and growing net income by 10%. The valuation has increased by 7.3%.

Purchase Price / Date	\$10.25m / October 2021
Current Valuation	\$11.00m / September 2023



450-460 Dean Street, Albury, NSW

Active Investment

The property comprises a well positioned retail complex anchored by the only cinema complex in Albury / Wodonga which has a combined population of over 100,000 people and growing. There are five specialty retailers which provides a diversified cash flow and a 7.1 year WALE.

Investment Strategy: Very well maintained by a former institutional owner with minimal capex spend forecast. The asset strategy will be to grow rents as current leases expire. We will then hold the asset for a period of 6 to 8 years by which time all the competing releasing and renewals should be completed.

Purchase Price / Date	\$18.5m / June 2022
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75-85 York Street, South Melbourne, VIC

Active Investment

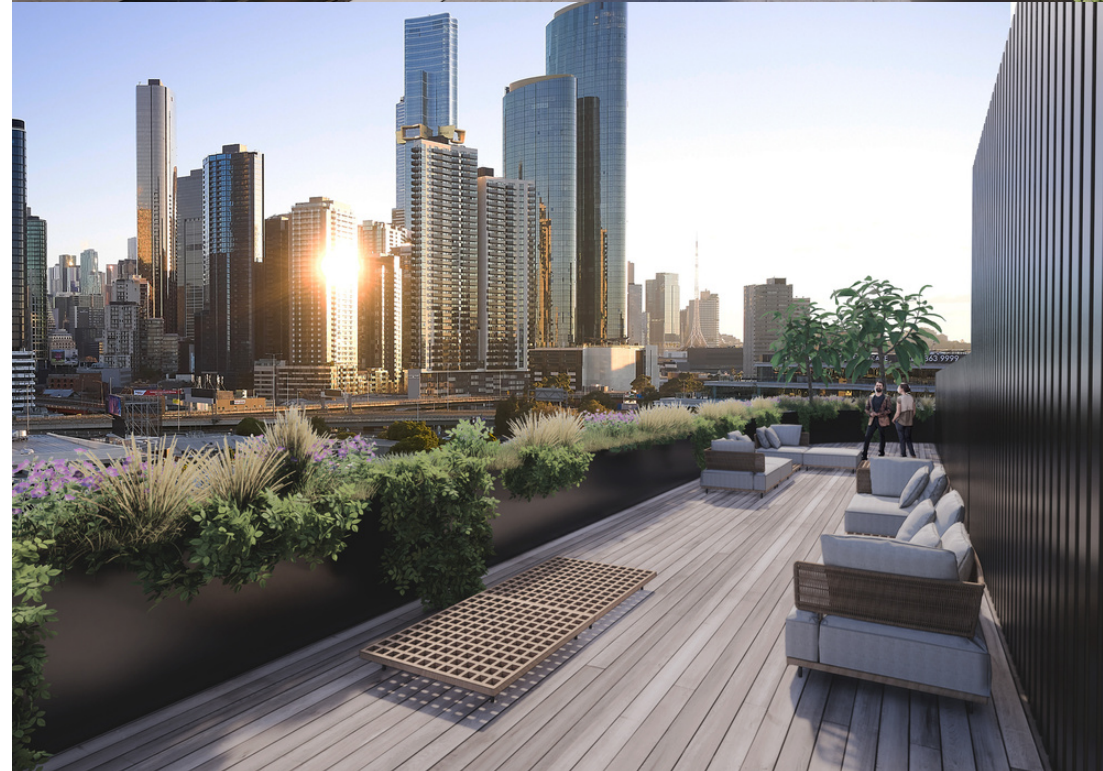
The property comprises 466m2 island site leased to a long standing tenant. The site has substantial frontage to York Street.

Investment Strategy: Development the site by into 6 level strata office development with a retail offering in the ground floor / basement.

Asset management initiatives obtaining a Planning Permit for 6 levels including a food or drink premises and offices above. Management is finalising its feasibility study and construction costings before commencing.

Purchase Price / Date \$4.4 m / June 2021

Current Valuation \$4.90m / July 2023





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