



Lot 1305 – Brisbane Technology Park

36 McKechnie Drive
EIGHT MILE PLAINS, QUEENSLAND



Investment Opportunity

Tenants:	Zernike Australia, Multitrode
Gross Income:	Approximately \$1,295,000 per annum
Outgoings:	Approximately \$140,000 per annum
Net Income:	Approximately \$1,155,000 per annum
Net Lettable Area:	3,200m ²
Land Area:	3,233m ²
Weighted Average Lease Term:	7 Years
Car parks:	80 under cover car parking bays

Tenancy Schedule

Unit	Tenant	% Area	% Base Rental	Area (m ²)	Current Base Rental \$pa	Base Rental \$m ²	Outgoings p.a. (approx) \$	Car Parks	Rate Per Bay pcm	Total Gross Income	Lease Term yr	Options Yr	Lease Commencement	Lease Expiry	Rent Review %
1	Zernike Australia	50%	50%	1,600	\$520,000	\$325	\$70,125	38	\$120	\$644,845	7	5	31-Oct-10	30-Oct-17	3.50%
2	Tenancy 2	50%	50%	1,600	\$520,000	\$325	\$70,125	42	\$120	\$650,605	7	5	31-Oct-10	30-Oct-17	3.50%



- Situated within the Brisbane Technology Park, located at Eight Mile Plains, approximately 12 minutes from the CBD.
- The building will achieve at least a 4-Star Green Building and 4-Star Green Star Certification.
- Due for completion by November 2010.
- The building is 50% leased to Zernike Australia, backed by the parent company. The balance 50% will be leased to Multitrode for 5 years, and one other tenant (to be confirmed), supported by a guarantee by Graystone until the leases are signed.
- Provision of 80 under croft car parks to be allocated to the respective tenants and 5 visitor bays.
- Brisbane Technology Park is already home to over 80+ prestigious national and multi-national companies taking advantage of the Technology Park's prime location, state-of-the-art resources, infrastructure and cost effective rates.
- Walking distance to the Eight Mile Plains Bus Interchange.

**Graystone tenancy provided by way of rent guarantee until lease*



Brisbane Technology Park Fund-Through

The following analysis outlines a fund through scenario on the Lot 1305 development at Brisbane Technology Park based on the assumptions outlined below over a 5 year and 7 year hold period for the fund-through investor.

The fund through has been assessed on the following basis:

- Lot 1305 JV funds project through to December 2009.
- Fund through purchaser repatriates all expenses to JV at end December 2009.
- Fund through purchaser funds all costs going forward on monthly draws, including the development profit component payable to the JV.
- All draws from fund through purchaser attract interest at the prevailing rate, capitalising to the completion of construction.
- At completion the total cost to the fund through purchaser including capitalised interest will equal the value of the asset at the cap rate applied.
- For the analysis below we have assumed that following completion of construction, the project will be refinanced with debt to 57% LVR and held as an investment property until the investment period has lapsed and the asset is sold.
- *In this scenario, the property is sold to the purchaser via an agent, therefore there are agency fees payable upon acquisition.*

Assumptions

The analysis has been based on the following assumptions:

Item	Assumption	Item	Assumption
Purchase Cap Rate	8.50%	Land Transfer (incl costs)	\$1,153,000
Interest during construction	8.50%	Terminal Yield	8.50%
Refinance LVR	57%	Sales Comm (terminal)	1.5% of gross sale
Refinance Interest Rate	8.00%	Selling Legals (terminal)	0.5% of gross sale
Refinance Costs	1.0% of facility	Investor Equity Required	\$5,820,000

Results

The following table outlines the estimated returns to the fund through investor based on a 5 and 7 year hold scenario:

5 year Hold Scenario		7 year Hold Scenario	
Item	Result	Item	Result
Costs		Costs	
Fund Through Costs	\$13,590,000	Fund Through Costs	\$13,590,000
Finance Costs - construction	\$302,000	Finance Costs	\$302,000
Finance costs - investment	\$3,282,000	Finance costs - investment	\$4,562,000
Total Costs	\$17,174,000	Total Costs	\$18,454,000
Revenues		Revenues	
Interest during construction	\$579,000	Interest during construction	\$579,000
Net Rental Income	\$6,195,000	Net Rental Income	\$8,987,000
Net Sale Income	\$15,283,000	Net Sale Income	\$16,372,000
Total Revenue	\$22,057,000	Total Revenue	\$25,938,000
Net Profit (before tax)	\$4,883,000	Net Profit (before tax)	\$7,484,000
Return on Cost	28%	Return on Cost	40%
Initial Yield	8.50%	Initial Yield	8.50%
Equity IRR	13.6%	Equity IRR	14.5%

Please note all figures are estimates only and have been rounded for ease of presentation. The above figures exclude tax and depreciation allowances.