# TAMIM Property

05 December 2024

Office Building

*Melbourne, VIC*

# PRIVATE & CONFIDENTIAL

TAMIM Asset Management
ABN 97 608 304 963 | AFSL 421469
1300 750 007

## Asset

700 Springvale Road, Mulgrave presents a rare opportunity to participate in a premier property investment. Strategically located in the heart of the thriving Monash Employment and Innovation Cluster, this asset boasts proximity to key infrastructure such as the Victorian Heart Hospital, Monash University, and M-City Shopping Centre. The refurbished building spans a 9,153sqm high-profile landholding and features flexible, light-filled floorplates, ample car parking, and strong environmental credentials.

With 88% occupancy, tenants include renowned organisations such as Monash Health, CMP, Bunzl Australia and Arthur J Gallagher, ensuring a diversified and stable income stream. The property generates an estimated fully leased net income of $2.33 million annually, underpinned by a long history of high tenant retention and fit out upgrades. Positioned to benefit from the transformative $34.5 billion Suburban Rail Loop project, this investment offers robust current returns and significant future upside potential.

## Location

The Monash precinct stands out as a premier suburban office market, accounting for 13,190 sqm of office requirements since January 2024, or 27% of total demand in Melbourne's South Eastern Suburbs (S.E.S). Outperforming competing precincts like Boroondara, Whitehorse, and Dandenong, Monash's strategic location within Melbourne's Employment and Innovation Cluster makes it a magnet for businesses across diverse industries.

Monash offers proximity to key infrastructure such as Monash University, the Victorian Heart Hospital, and world-class cultural and commercial hubs. The area benefits from Melbourne's broader infrastructure projects, including the $34.5 billion Suburban Rail Loop and the $11 billion Metro Tunnel, which enhance connectivity and future-proof the region's growth.

Monash is part of a thriving metropolis home to 5.4 million residents. Melbourne's robust recovery, supported by $100 billion in infrastructure investments, ensures sustained economic growth and positions the Monash precinct as a key destination for tenants, investors, and long-term innovation.

## Key Features

Year 1 Distribution Forecast: 7.25%

Average 5 Year Distribution Forecast: 7.50% p.a.

Projected IRR: 13.25 to 13.5%*

6 level building with NLA of 6,825 sqm

Development Potential: Opportunity to add between 3706 to 8040 sqm of NLA.

1-year rent guarantee on existing vacancies

The Building is located in the in the heart of the thriving Monash Employment and Innovation Cluster.

*Calculated after management fee & interest payments.

## Structure

| | |
|---|---|
| **Ownership Vehicle** | *TAMIM Property Fund – Springvale unit class* |
| **Domicile** | *Australia* |
| **Inv. period** | *5 years* |
| **Leverage** | *50% - 55%* |
| **Minimum inv.** | *$250,000*[*1]* |
| **Reporting** | *Annual* |
| **Auditing** | *Crowe* |
| **Administration** | *William Buck (SA) Pty Ltd* |
| **Custodian** | *CTSP Funds Management Pty Ltd* |
| **Trustee** | *TAMIM Investments Pty Ltd* |
| **Valuer** | *Report available once completed* |

[*1] TAMIM reserves the right to accept applications for lower amounts

**Year 1 Distribution Forecast:** 7.25%
**Av. Distribution Forecast 5 years):** 7.50% p.a.
**Distribution Frequency:** Quarterly
**Projected IRR:** 13.25 - 13.5%*

*Calculated after management fee & interest payments.

## Cash Flow:

| (Based on assumptions) | | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|
| | | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **Forecasted Rental Cash Flows** | Area ($m^2$) | | | | | |
| Total Rent | 6,826.1 | $2,506,921 | $2,926,067 | $3,125,813 | $3,203,133 | $3,292,724 |
| Total Other | - | $534,559 | $92,061 | $75,118 | $63,683 | -$94,370 |
| **TOTAL RENTAL** | 6,826.1 | **$3,041,480** | **$3,018,128** | **$3,200,931** | **$3,266,816** | **$3,198,354** |
| Outgoings | | -$709,276 | -$723,462 | -$737,931 | -$752,689 | -$767,743 |
| Asset Management Fee | | -$151,200 | -$151,200 | -$151,200 | -$178,080 | -$178,080 |
| Interest | | -$740,412 | -$740,412 | -$740,412 | -$740,412 | -$740,412 |
| Admin Costs (accounting, audit, trustee, valutation etc.) | | -$69,500 | -$69,500 | -$69,500 | -$69,500 | -$69,500 |
| **Net cash flow after interest** | | **$1,371,092** | **$1,333,555** | **$1,501,888** | **$1,526,135** | **$1,442,619** |

## Funding:

| | |
|---|---|
| Purchase price | $ 25,200,00 |
| Transaction costs | $ 2,416,615 |
| Working capital | $ 2,500,000 |
| Incentives | $ 1,440,000 |
| **Total** | **$ 31,556,615** |

**Funded by:**

| | |
|---|---|
| Equity finance | $ 18,900,000 |
| Debt finance | $ 12,656,615 |
| **Total** | **$ 31,556,615** |

## Assumptions:

| | |
|---|---|
| **Acquisition Price** | **$ 25,200,000** |
| Initial passing yield | 7.58% |
| Net Passing rent (incl. guaranteed income) | $2,332,204 p.a. |

**Management Fee**

| | |
|---|---|
| Asset management | 0.60% of GAV |

| | |
|---|---|
| **Exit Price** | **$39,399,694** |
| Exit passing yield | 6.25% |
| Exit passing rent | $ 2,462,480 p.a. |

## Debt finance:

| | |
|---|---|
| Loan type | Senior debt |
| Security | Non-recourse |
| Debt provider | CBA/ANZ/NAB/WST |
| Loan term | 2 - 5 years |
| LVR | 50-55% |

| | |
|---|---|
| Interest rate p.a. | 5.85% |
| Amortisation p.a. | 0.00% |
| Arrangement fee | 0.00% |
| Refinance fee | 1.00% |

## Tenancy Details

***Majors:***

| Monash Health | |
|---|---|
| *Lease Comencement* | 15 October 2023 |
| *Lease Expiry* | 14 October 2032 |
| *Lease Term* | 9 years |
| *Option Term* | |
| *Tenancy Area* | 611.0 m$^2$ |
| *Current Base Rent* | $169,919 |
| *Rent Reviews* | 3.00% |

| CMP Consulting Group | |
|---|---|
| *Lease Comencement* | 1 Aug 2024 |
| *Lease Expiry* | 31 July 2027 |
| *Lease Term* | 3 years |
| *Option Term* | 2 year option |
| *Tenancy Area* | 1,292.0 m$^2$ |
| *Current Base Rent* | $381,140 |
| *Rent Reviews* | 3.00% |

***Other Tenants:***

| Bunzl PLC | |
|---|---|
| *Lease Comencement* | 01 November 2022 |
| *Lease Expiry* | 31 October 2027 |
| *Lease Term* | 5 years |
| *Option Term* | 3 year option |
| *Tenancy Area* | 646.2 m$^2$ |
| *Current Base Rent* | $212,026 |
| *Rent Reviews* | 3.00% |

| Covestro AG | |
|---|---|
| *Lease Comencement* | 01 October 2023 |
| *Lease Expiry* | 30 September 2025 |
| *Lease Term* | 2 years |
| *Option Term* | 2 year option |
| *Tenancy Area* | 274.5 m$^2$ |
| *Current Base Rent* | $84,019 |
| *Rent Reviews* | |

| Kandu Freight Management | |
|---|---|
| *Lease Comencement* | 1 April 2023 |
| *Lease Expiry* | 31 March 2026 |
| *Lease Term* | 3 years |
| *Option Term* | 3 x 2 year option |
| *Tenancy Area* | 312.7 m$^2$ |
| *Current Base Rent* | $87,708 |
| *Rent Reviews* | 3.50% |

| Gallagher | |
|---|---|
| *Lease Comencement* | 1 December 2017 |
| *Lease Expiry* | 30 November 2025 |
| *Lease Term* | 8 years |
| *Option Term* | 3 year option |
| *Tenancy Area* | 1,298.3 m$^2$ |
| *Current Base Rent* | $389,778 |
| *Rent Reviews* | |

**Year 1 Distribution Forecast:** 7.25%
**Av. Distribution Forecast (5 years):** 7.50% p.a.
**Distribution Frequency:** Quarterly
**Projected IRR:** 13.25 - 13.5%*

*Calculated after management fee & interest payments.

**TAMIM investors are being offered the opportunity to subscribe for units in the TAMIM Property Fund: Springvale unit class at minimum investment amounts of $250,000. Investment is through a special purpose trust. Investment documentation is available on request. Trust deed is available on request.**


## Timetable

| | |
|---|---|
| OFFER OPENS | **5 December 2024** |
| OFFER CLOSES | **When fully subscribed** |

The Fund will launch upon settlement of the Property, which is expected to occur on or around 23 March 2025 with the initial distribution to be paid on or about 8 July 2025. TAMIM intends to settle early if bank funding is in place.

## Contact

Should you wish to discuss this offer, please do not hesitate to contact us:

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