
FOLKESTONE REAL ESTATE INCOME FUND AT WOLLONGONG TO SELL ASSET AND WIND-UP FUND

Folkestone Funds Management as Responsible Entity for the Folkestone Real Estate Income Fund at Wollongong (“Fund”) is pleased to announce that Unitholders today overwhelmingly voted¹ in favour of the sale of the Fund’s sole asset, 43 Burelli St, Wollongong, and the wind-up the Fund.

The Property is a six level A-Grade office building comprising 9,688 square metres together with parking for 86 vehicles. The Property comprises a strong tenancy mix anchored by Commonwealth and State Government tenants who currently contribute more than 50 per cent of the Property’s income.

The Property has been sold for \$46.1 million, a 67.5% premium to the April 2013 \$27.5 million acquisition price (adjusted for the capital expenditure since acquiring the Property) and a 33.6% premium to the last independent valuation at 30 June 2016. The Property has been sold to a private investor.

Folkestone’s Managing Director, Mr Greg Paramor, said “We have undertaken an extensive refurbishment program, increased the Property’s NABERS energy rating from 1 Star to 5 Star and renewed a number of leases including the Department of Human Services lease until 2021. Given the strong demand for high quality office assets from both domestic and international investors, we decided to take advantage of the strong market and sell the Property ahead of the Fund’s expiry in 2019.”

“The sale price reflects an excellent result for our investors who will receive approximately \$1.80 for each \$1.00 invested and an internal rate of return of 23.6% per annum (post fees, pre-tax) since inception of the Fund four and half years ago. The result validates Folkestone’s active management of its unlisted funds on behalf of its investors” said Mr Paramor.

Folkestone Funds Management will receive a performance fee of approximately \$2.9 million in November 2017 when the Property settles and the Fund is wound up.

For further information

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About Folkestone

Folkestone (ASX:FLK) is an ASX listed real estate funds manager and developer providing real estate wealth solutions. Folkestone’s funds management platform, with more than \$1.3 billion under management, offers listed and unlisted real estate funds to private clients and select institutional investors, while its on balance sheet activities focus on value-add and opportunistic (development) real estate investments. www.folkestone.com.au

¹ 99.9 per cent of Units voted in favour of the resolution to sell the Property and wind-up the Fund.