

ASX Release

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Hobart Acquisition & WOTSO Expansion

BlackWall Property Trust (BWR) has entered into an agreement to purchase a 3,450 sqm commercial office building in the Hobart CBD at 162 Macquarie Street. Just over 2,600 sqm of the building is leased on long term leases with the vacant space to house an 850 sqm WOTSO WorkSpace. BlackWall CFO, Tim Brown, said “the building works, with a combination of existing committed income and the space to grow the WOTSO brand. He added “the \$7.8 million purchase price equates to a cap rate of about 9%.”

The purchase will be funded in part by capital raised in the \$12 million offer of BWR units BlackWall commenced late last year. That offer was by way of a fully subscribed rights issue (which closed in early December) and a wholesale/retail placement which is ongoing. So far \$9 million of the raising has been placed.

The acquisition continues the close collaboration between BlackWall’s traditional property activities and its growing wholly owned subsidiary WOTSO WorkSpace. WOTSO now has over 13,200 sqm of collaborative and flexible office space in twelve locations on the eastern seaboard and Singapore. Of those sites seven are now housed in real estate in which BWR owns or has a material investment.

“The vacant space at Hobart is already fitted out so there will be very little capex to get it ready for occupation,” said BlackWall’s Head of Property, Jess Glew.

“We are in the process of recruiting a workspace manager and planning out the cosmetic changes we will make to establish WOTSO. We expect WOTSO to be operational within a month or two of the early Feb settlement date,” Ms Glew said.

The building houses the Hobart campus of RGIT Australia which provides vocational education and training in fields including business, management and IT.

The Hobart market is not new to BlackWall. In 2002 (under the Pelorus brand) the fund manger established an investment syndicate over a CBD retail property known as Elizabeth Plaza. That fund generated just under a 15% IRR to investors when the property was sold in 2005.

Stuart Brown
Chief Executive Officer