



INVESTING THROUGH UNCERTAINTY

**INSIDE COMMERCIAL
PROPERTY INVESTMENT**

ABOUT US



- Commercial property syndication
- Associated company of Classic Group, 25 years of experience
- Portfolio value circa **\$200m**

OUR FOUR PRINCIPLES

1. Premium assets
2. Growth potential
3. Low risk
4. Transparent

DISCLAIMER

Before we go any further, please keep in mind the information provided here is general in nature, it's not financial advice. It does not take into account your situation, objectives, goals or risk tolerance. All investments are subject to risk and none are guaranteed so before you make any decisions you should always consult an investment advisor.

4 FUNDAMENTALS OF PREMIUM COMMERCIAL



Capitalisation Rate =



Rent



Property Value

MARKET UPDATE

- Extended period of investor caution creates opportunities for well-capitalised investors.

	2022	2023	Var
Total sales value	\$656,145,108	\$72,817,701	- 89%
Count of transactions	426	33	- 92%

- Prime assets are forecast to produce strong capital returns.
- Rents expected to lift by nearly 30% over the 2022–2026 period.

MARKET UPDATE

Costs of construction and land have dramatically increased.

Commercial Warehouse, Tauriko			
	2020	2023	Difference
Land	\$4,032,000	\$7,560,000	+ \$3,528,000
Construction Costs	\$6,470,200	\$9,336,085	+ \$2,865,885
TOTAL COSTS	\$10,502,200	\$16,896,085	+ \$6,393,885
Rent	\$578,800	\$905,000	+ \$326,200

HISTORIC PERFORMANCE



INFLATION

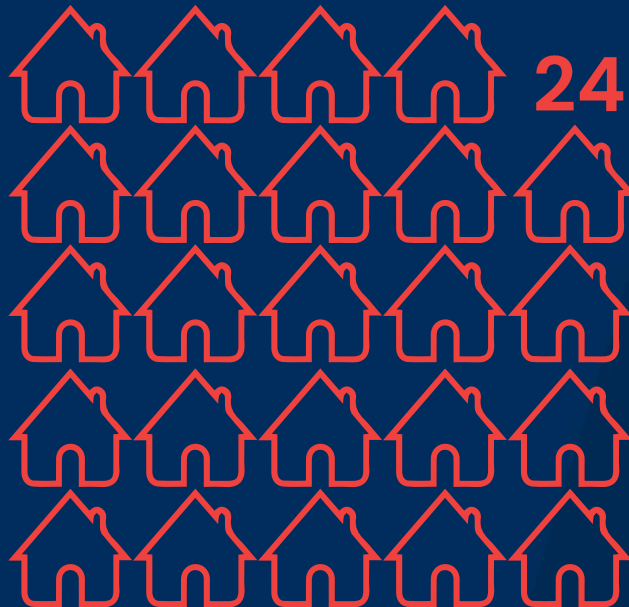
- The true erosive nature of inflation is underestimated.

Cumulative impact on purchasing power	INFLATION RATE			
	2%	3%	4%	5%
After 5 Years	-9%	-14%	-18%	-22%
After 10 Years	-18%	-26%	-32%	-39%
After 20 Years	-33%	-45%	-54%	-62%
After 30 Years	-45%	-59%	-69%	-77%

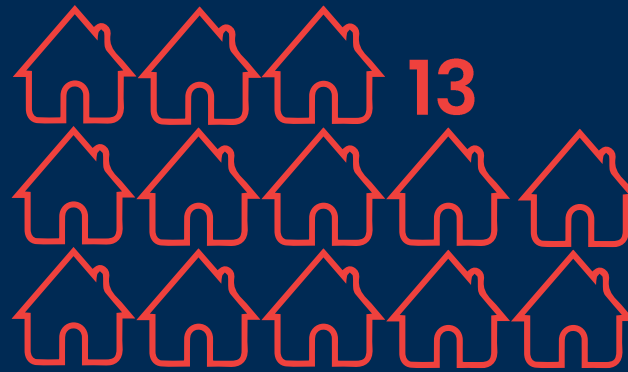
INFLATION

- \$10m worth of residential property in 2013 vs today.

2013



TODAY



Source: REINZ median house price in 2013 was \$415,000 compared to the 2023 median of \$762,000

Case Study

THE WAREHOUSE

2012 Purchase price	\$13.2m
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Investor contributions	\$6.1m
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Cashflow return	8.2%
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Exit price after 5yrs	\$17.6m
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Capital gain on sale	33%
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Investor capital gain	72%
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Case Study

FRESH CHOICE

2018 valuation	\$8m
Investor contributions	\$2.81m
2022 valuation	\$10.5m
Cashflow return	9.33%
Capital gain on valuation	31%
Investor capital gain	88.96%



Current Opportunities

Tauranga Medical Fund

- **9.45%** estimated Cash Return and Capital gain
- **17-year** combined lease term
- Low Debt – 30% leveraged
- Health NZ and Bay Radiology
- Brand new



Current Opportunities

Waikato Childcare Fund

- **10.04%** estimated Cash Return and Capital gain
- **15-year combined** lease term
- **Zero Debt**
- Provincial Education Group and New Shoots



5 Year Strategic Reviews

- Guaranteed exit after 5 years.
- Shares can be sold to existing shareholders at any time.
- Greater flexibility than typical syndications.

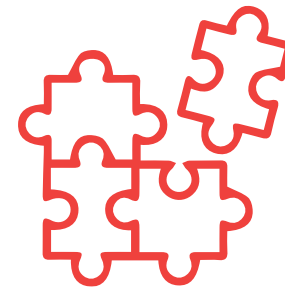
RECAP



**Inflation is
the silent
thief.**



**Growth assets
are an inflation
hedge.**



**Yield isn't
everything when
the fundamentals
aren't right.**



Thank-you

www.classiccollectives.co.nz