

## **PLP – Property valuation review leads to uplift in fund value**

**28 April 2022**

Booster Investment Management Limited (Booster) as manager of the Private Land and Property Portfolio (the wholesale fund into which the PLP invests) has commissioned and received an updated independent valuation report for its viticulture related properties for Hope, Nelson. These currently represent ~16% of the total value of the assets the fund holds. The properties are leased for viticultural use under a 20 year lease expiring in 2037.

In consideration of the independent valuation reports, Booster has adopted a valuation increase of \$2.919m, which represents a 18.8% increase in the value of the relevant properties and change of 2.93% to the net asset value of PLP, increasing the most recent NAV (the unit price at which units are issued by the manager) from \$1.216 per unit to \$1.251.

The valuation uplift reflects the valuer's view of the open market value of the property while recognising that the property is committed to a viticultural lease until 2037 so this value is not accessible before then. Rental under the lease is reviewed 5 yearly and the first review is due by August 2022 and will reflect the current market rent, which will likely be driven by its current configuration as vineyards. While the review of market rent under the lease agreement is yet to be agreed, we do not expect a significant uplift to the current rent.

The resulting position is that the fund will adopt a value that represents its current rental potential per the lease terms, and a portion of the open market value that is available to the fund at the end of the lease. In this period, the fund's returns will therefore comprise both rental income and an assessed portion of the open market value that could be realised in the future. Periodic valuation reports will also reassess the open market value and any adjustment will be recognised as valuation evidence requires.

The focus of the fund and PLP remains the securing of appropriate rental income from property and land investments. However returns since inception have been positively affected by re-setting of rural land values, especially where alternative uses are competing for land (either other crops, or commercial or residential use). Such land use valuation changes can be cyclical and are not the focus of the fund.

Booster is awaiting the valuation report for the kiwifruit property in Kerikeri (which represents ~20% of the value of assets held by the Private Land and Property Portfolio). This is anticipated to be received in the next week. The outcome of this remaining valuation review is not known. The last valuation for Kerikeri was completed in May 2021.

For more information, please contact:

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## About Booster

Booster Investment Management Limited (Booster) is the manager and issuer of the Fund, and part of the Booster Group which has been helping New Zealanders save since 1998. The group currently administers superannuation and investment funds of over \$5 billion on behalf of more than 170,000 New Zealanders.

PLP is a managed investment fund that invests in land and property-based investments by investing in units in Booster's Private Land and Property Portfolio. PLP only holds these units.

For more information, including a copy of the Product Disclosure Statement and the latest net asset value per unit, please visit [www.booster.co.nz](http://www.booster.co.nz)