

Media Release

Charter Hall funds acquire \$115 million 12.2 year leased prime Sydney logistics facility

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Charter Hall has secured for its Charter Hall Prime Industrial Fund (CPIF) and Charter Hall Direct Industrial Fund No.4 (DIF4) via an off-market transaction, a \$115 million logistics property at 40-66 Lockwood Drive, Erskine Park, reflecting a 4.75 per cent core cap rate.

The distribution facility has a total GLA of 43,000sqm, of which approximately 40,000sqm is used for warehouse accommodation with the remaining 3,000sqm being occupied as office accommodation. The property benefits from two truck access driveways (allowing for full drive around access), a separate access driveway into the large car park, and all-weather super awnings located along both the eastern and western elevations. The property has a site area of 8.273ha with a site coverage of 52 per cent.

The facility was originally developed in 2008 for the tenant, Winc, as their national distribution centre. Winc have entered into a new 12-year lease to commence at expiry of their current lease in August 2020. The lease provides for annual rental escalations of 3.25 per cent, with a mid-term market review in 2026.

Winc Australia, previously known as Staples and Corporate Express, is a national workspace solutions supplier of office essentials, furniture, safety equipment, IT solutions, toiletries and kitchen products. Winc's key customers are cycle resilient industries, including corporate, healthcare, education and government. Winc is a new tenant customer to the Charter Hall industrial and logistics platform.

Charter Hall's Industrial & Logistics CEO, Mr Richard Stacker, said "The acquisition of Winc's Erskine Park facility is consistent with both the Group's and Funds' strategy to acquire core logistics properties leased to good quality tenants on long term leases situated in key industrial precincts with access to major infrastructure and transport networks."

"We were able to acquire the property off-market via Savills, Mr Michael Fenton, further evidencing our track record for securing both off-market and on-market prime long WALE assets. Our \$10 billion industrial and logistics portfolio continues to grow via a \$1.3 billion pre-leased development pipeline and selective acquisitions and is now 90 per cent located on the Eastern Seaboard" said Mr Stacker.

Fund Manager of CPIF, Mr Richard Mason, said "The acquisition provides a rare opportunity to secure a major logistics facility in the tightly held Western Sydney growth corridor that is supported by convenient access to M4 & M7 Motorways and major infrastructure projects underway including the Badgerys Creek Aerotropolis."

Fund Manager for Direct Property, Ms Miriam Patterson, said "This acquisition enhances the quality of DIF4's growing industrial portfolio which is approaching \$800 million with a portfolio WALE of circa 10 years. The attractive 3.25 per cent per annum rent reviews adds to the long-term sustainable income growth potential of the portfolio."

Charter Hall Group (ASX: CHC)

With over 28 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors – office, retail, industrial and social infrastructure.

Operating with prudence, we've carefully curated a \$40 billion diverse portfolio of over 1,100 high quality, long leased properties. Partnership and financial discipline are at the heart of our approach. Acting in the best interest of customers and communities, we combine insight and inventiveness to unlock hidden value. Taking a long term view, our \$7.3 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with superior returns for a better retirement, we're powered by the drive to go further.

For further enquiries, please contact

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