

Media Release

Coles and Charter Hall Extend Relationship with Lease Agreements for Coles Online Customer Fulfilment Centres in Sydney and Melbourne

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Charter Hall Group (“Group”) is pleased to announce it has extended its relationship with the Coles Group (“Coles”) by securing long-term pre-lease commitments for two new high-tech distribution centres in Sydney and Melbourne.

The facilities, scheduled to be completed in 2022, cover a combined lettable area of 60,000sqm and will be utilised as highly automated Customer Fulfilment Centres for Coles Online, significantly increasing Coles’ capacity to meet growing customer demand for online food and grocery shopping.

The Melbourne Coles facility comprising circa 30,000sqm is located within the CPIF owned Midwest Logistics Hub, a 58 hectare estate on Dohertys Road, Truganina.

Charter Hall already has under construction at Midwest Logistics Hub, a 44,000sqm facility pre-leased to Toll for their Mars Group contract, and the recently announced 46,000sqm facility pre-leased by Uniqlo.

The Sydney Coles facility comprising circa 30,000sqm is located at Horsley Drive in Wetherill Park and will anchor a 14 hectare estate being developed by Charter Hall, which is owned and funded by CPIF.

These long-term lease commitments increase the committed, pre-leased development pipeline for CPIF to circa \$900 million, which continues to drive the growth and diversification of the \$5 billion CPIF portfolio. These two facilities will see its WALE extend to a sector leading 11 years.

Charter Hall Managing Director & Group CEO, Mr David Harrison, said: “We are delighted to once again extend our cross-sector relationship with Coles and look forward to completing these exciting new projects for one of our largest tenant customers, whilst continuing to enhance and diversify the quality of our leading industrial and logistics portfolio within our flagship industrial fund.”

“The on-going growth of e-commerce and the focus on supply-chain efficiencies continues to drive the demand for well located, high quality logistics facilities. Charter Hall has demonstrated, via expanding our relationship with Coles, that our industrial estates located near major transport infrastructure continue to be well sought after by our major retail and logistics customers” said Mr Harrison.

Coles Chief Property Officer, Mr Thinus Keeve, said: “We value our longstanding relationship with Charter Hall and we’re very pleased to partner with them on this project. These two Customer Fulfilment Centres will enable Coles Online to offer greater range and availability, from locations that allow us to deliver to customers across metropolitan Sydney and Melbourne.”

Charter Hall Industrial & Logistics CEO, Mr Richard Stacker, commented: “These projects on completion will contribute to the Group’s \$1 billion industrial and logistics development pipeline, lifting our industrial and logistics funds under management beyond \$10 billion. Our cross-sector relationships continue to provide a point of differentiation for Charter Hall in delivering solutions for our major customers.”

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Charter Hall Prime Industrial Fund (CPIF) and Charter Hall Group (ASX: CHC)

Charter Hall Prime Industrial Fund (CPIF) is an \$5 billion unlisted property fund comprising a geographically diverse, high quality portfolio of 65 industrial and logistics assets, strategically located and underpinned by long-term leases and strong tenant covenants.

CPIF is managed by Charter Hall Group (ASX:CHC). With over 29 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 \$38.9 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 \$6.8 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.

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