

Media Release

Charter Hall partners with AFP to develop new Melbourne headquarters

28 October 2019

Charter Hall Group (Charter Hall or the Group) today confirmed the Australian Federal Police (AFP) has committed to be the sole tenant of its 140 Lonsdale Street development, on a 30 year lease term plus multiple options.

140 Lonsdale Street will provide over 560 AFP officers and employees with a first class operations facility in the centre of the CBD; a future focused, fit-for-purpose building that meets the evolving needs of federal policing in Victoria.

Charter Hall has partnered with the AFP to deliver the new, \$300 million state-of-the-art building for its Melbourne State Office (MSO) that will support and enhance the AFP's operations in Victoria. Forming part of the \$1.3 billion Wesley Place precinct, the building will comprise 22,750 sqm of net lettable area, across 20 levels.

Charter Hall Managing Director and Group CEO David Harrison said securing a long-term lease with such a high-calibre tenant such as the AFP, is an extension of our commitment to work with government and corporate tenant customers to create their vision of an optimal workplace environment for their people.

"We have worked closely with the AFP, to design a bespoke property solution that will enable and support the AFP's important work around national security, counter terrorism and continuing to make Australia a safer place," said Mr Harrison.

"As well as ensuring the AFP have the highest quality fit-for-purpose headquarters, the long-term lease will further strengthen the \$3 billion Charter Hall Office Trust (CHOT) portfolio of prime CBD assets."

Charter Hall's Regional Development Director Simon Stockfeld said, "Receiving Parliamentary approval for the AFP's lease at 140 Lonsdale Street is an important milestone for the project. We have worked collaboratively with the AFP to design its new purpose-built MSO, and we are looking forward to delivering one of the most advanced buildings in Melbourne that will integrate seamlessly into the wider Wesley Place precinct."

Charter Hall has appointed Lendlease as its construction delivery partner for 140 Lonsdale Street, with works on site due to commence shortly and completion anticipated in late 2022. 140 Lonsdale Street will target 5 Star Green Star and 5 Star NABERS energy ratings.

Charter Hall Office Trust (CHOT) Fund Manager, Trent James said that 140 Lonsdale Street, with its long-term lease to the Federal Government is a valuable asset within CHOT's prime grade office portfolio.

"140 Lonsdale Street asset is a key part of this landmark workplace and lifestyle precinct, and we expect it to deliver long-term, sustainable income returns for investors," said Mr James.

The AFP amendments to the office tower are currently before the Minister for Planning for approval.

Upon completion, the Wesley Place precinct will also include the restoration of the Wesley Church and an additional four heritage buildings on the 1.1-hectare CBD site.

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About Wesley Place

Located on Lonsdale Street in the Parliamentary Precinct, the \$1.3 Billion Wesley Place precinct will be a transformative business precinct defined by innovation, heritage and lifestyle.

Stage 1 is set for completion in mid-2020, and will include the 60,000sqm technology-fuelled workplace at 130 Lonsdale St, restored heritage buildings, and the delivery of the public greenspace and leading retail and culinary offerings. Stage 2 will see the completion of 140 and 150 Lonsdale St, completing the offering at the iconic precinct. With unrivalled access to amenities and transport, the world-class urban environment is set to be the ideal work-life destination for Melbourne's diverse population.

About 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 \$34.6 billion diverse portfolio of over 840 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 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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