

Media Release

Charter Hall acquires SPC facility in Victoria off market for \$66m with rare 30-year triple-net lease

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Charter Hall Group (Charter Hall or the Group) is pleased to announce that the Direct Industrial Fund No.4 (DIF4 or the Fund) has acquired SPC's facility in Shepparton, Victoria for \$66 million with a rare 30-year triple-net lease and an initial passing yield of 6.1%.

The off-market sale and leaseback arrangement with SPC provides the Charter Hall managed DIF4 with a 30-year triple net lease structure, with an initial commencement rent of \$4.0 million and an annual rental review profile of CPI + 0.75%.

This asset is critical infrastructure for SPC, which for over 100 years has been an Australian icon. The facility is the main food production, processing and distribution site in Australia and is in close proximity to Goulburn Valley growers.

Located two hours north of Melbourne, the SPC facility on Andrew Fairly Ave is in Shepparton town centre. The site comprises of a total gross lettable area (GLA) of over 126,000sqm and sits on a total site area of 23.4ha, representing site coverage of 54%. It is adjacent to residential zoned land, the train station and is serviced with strong road connections from surrounding areas into Shepparton, as well as the rest of Victoria and NSW.

Charter Hall Chief Investment Officer, Sean McMahon, said, "We are delighted to be part of the SPC success story, and look forward to supporting SPC as its property partner. We are proud to be associated with one of Australia's most trusted and iconic brands in the food manufacturing and consumables sector."

Charter Hall Direct CEO, Steven Bennett, said, "DIF4 continues to meet investor demand for high quality exposure to the resilient and growing industrial and logistics property market. The SPC acquisition is consistent with the Fund's investment strategy, presenting a rare 30-year triple net lease, introduces a new tenant customer to the fund's portfolio and enhances DIF4's exposure to the non-discretionary food industry".

"The acquisition will see DIF4's WALE extend to 11.2 years, and maintains the fund's 100% occupancy rate".

Over the previous six months to 31 December, DIF4 has deployed over \$375 million in acquisitions, providing investors access to leading national tenants including SPC, Cleanaway, Tesla, Bunnings and the Australian Government. The fund delivered a 12-month total return of 21.1% to 31 December 2021. The Fund currently provides over a 5% distribution yield per annum to DIF4 investors.

DIF4 is a \$2.5 billion unlisted property fund open for investment, with further capacity to grow. DIF4 invests in a portfolio of quality Australian industrial and logistics properties with the aim to provide investors with sustainable and stable, tax advantaged income and the potential for capital growth.

This transaction was brokered off market by Chris O'Brien, Ben Hegerty & Andrew Bell of CBRE.

(ENDS)

Charter Hall Group (ASX: CHC)

With over 30 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, Industrial & Logistics, Retail and Social Infrastructure.

Operating with prudence, we've curated a diverse \$61.3 billion portfolio of 1,506 high quality, long leased properties. With partnership at the heart of our approach, we're creating places that help grow communities; turning them into the best they can be and unlocking hidden value. Taking a long-term view, our \$9 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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