

Media Release

Charter Hall funds acquire a \$215 million industrial portfolio leased to Owens-Illinois Australia

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Charter Hall Group is pleased to announce that two of its funds, the Charter Hall Prime Industrial Fund (CPIF) and Charter Hall Direct Industrial Fund No.4 (DIF4), have acquired a sale and leaseback \$215 million portfolio of industrial property from Owens-Illinois Australia (OIA). This deal ties into the OIA & Visy definitive agreement announced overnight in the US, which may result in Visy being the ultimate tenant customer when the deal is expected to complete at the end of July.

CPIF has acquired two properties, 21 Simcock Avenue, Spotswood, in Melbourne and 617-625 Port Road, West Croydon in Adelaide for a total of \$126 million, whilst DIF4 has acquired 130-170 Andrews Road, Penrith in Sydney for \$88 million. As part of the sale and lease back agreement, OIA will continue their occupation of all three properties with a 20 year triple net lease, with fixed 3.0% annual rent reviews.

The Portfolio has a site area of approximately 318,340sqm and ~146,000sqm of Gross Lettable Area (GLA). The assets comprise three glass manufacturing plants and warehousing facilities. OIA is the leading manufacturer of glass for the Australian food and beverage industry with clients including CUB, Asahi/Schweppes, Lion, Simplot, and Bega.

Charter Hall CIO, Sean McMahon, commented “The \$215 million Owen-Illinois Australia transaction continues our momentum in securing sale and leaseback portfolios from major corporates and demonstrates the Group’s ability to use the combined capacity of its funds to close large transactions, quickly and efficiently within the desired timeframes of vendors. The properties were acquired off-market and is testament to our ability to work with corporates to develop customised deal structures that support their broader investment strategies and release capital back into their business.”

Over the past 5 years, Charter Hall has undertaken more than \$8 billion in sale and lease back transactions across the platform, including with groups such as Telstra, BP, ALDI, Arnott’s, Woolworths, Bombardier Transport, Bunnings, Coca-Cola Amatil and Ingham’s.

CPIF Fund Manager, Richard Mason said “The acquisition of Owens-Illinois Australia’s Spotswood and Croydon properties is consistent with CPIF’s strategy to acquire core industrial and logistics properties close to major road and rail infrastructure with attractive initial income yields growing at 3% per annum.”

“Industrial land holdings of this size within core infill metropolitan locations are increasingly difficult to secure, particularly within the Melbourne industrial precinct which is currently seeing strong demand from industrial and logistics tenants” said Mr Mason.

Miriam Patterson, Charter Hall Direct Fund Manager said “The acquisition of Owens-Illinois Australia’s Penrith property enhances the Fund’s quality of income given the 20 year triple net lease, increases its Sydney concentration and extends the Fund’s WALE to a market leading 10.8 years. The asset’s initial income yield supports the Fund’s current distribution yield of 6% available to investors in DIF4.”

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Charter Hall Prime Industrial Fund (CPIF), Charter Hall Direct Industrial Fund No4 (DIF4) and Charter Hall Group (ASX:CHC)

Charter Hall Prime Industrial Fund (CPIF) \$5.5 billion portfolio is one of Australia's largest industrial and logistics portfolios comprising a geographically diverse, high quality portfolio of 72 industrial and logistics assets, underpinned by long-term leases and strong tenant covenants, with a further \$1 billion WALE accretive committed development pipeline. CPIF is available to wholesale institutional investors.

Charter Hall Direct Industrial Fund No.4 (DIF) is an \$880 million unlisted property fund investing in a portfolio of quality Australian industrial and logistics properties. DIF4 aims to provide investors with sustainable and stable, tax advantaged income and the potential for capital growth from a portfolio with a 10.8 year WALE diversified by geography, tenant customer industries, with average property rental growth of 3% per annum.

CPIF and DIF4 are 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 \$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. Charter Hall's industrial and logistics FUM exceeds \$10 billion.

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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