

ASX Release

Charter Hall Retail REIT delivers on strategy acquiring Highfields Village shopping centre for \$41 million

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Charter Hall Retail REIT (ASX:CQR) (CQR or the REIT) today announced that it has executed an unconditional contract to acquire the Highfields Village shopping centre in Toowoomba, QLD for a total consideration of \$41 million. The transaction reflects a capitalisation rate of 6.0%.

The transaction is consistent with the REIT's strategy to transition the portfolio from smaller non-core assets towards larger convenience based supermarket anchored shopping centres with strong demographic profiles where it can add value through active management.

The Centre is located at Highfields, a major residential expansion corridor approximately eight kilometres north of the Toowoomba CBD and comprises a total GLA of 6,366sqm on a 3.9-hectare site. Competition within the main trade area is limited and the Centre has future expansion potential.

The Centre is a strongly performing convenience based neighbourhood shopping centre, which is anchored by a Woolworths supermarket, in addition to 20 specialty tenancies, 1 mini major, 1 kiosk, 6 ATMs and 3 pad sites for future expansion and development.

Scott Dundas, Fund Manager of the REIT commented on the acquisition: "We are pleased to announce the acquisition of Highfields Village, an asset that enjoys exposure to a growing population base with strong trading fundamentals and further capacity to grow income. The acquisition reflects our strategy to acquire assets that are convenience based, dominant within their trade area and provide a secure and growing income stream.

"This investment into Highfields Village follows our recent acquisition of Salamander Bay, NSW and Arana Hills Plaza, QLD. Consistent with our strategy, we are taking the opportunity at this point of the cycle to transition the portfolio from smaller non-core assets towards larger convenience based supermarket anchored shopping centres," Mr Dundas said.

As part of the REIT's strategy, it has flagged further divestments in order to support the acquisition of larger, higher growth assets and value accretive development.

"As a result of recent acquisitions and divestments, we are continuing to deliver on our strategy of enhancing the quality of the CQR portfolio," Mr Dundas added.

The acquisition will initially be funded through a combination of existing and new debt facilities. It is anticipated that these debt facilities will be repaid through further divestments.



About Charter Hall Retail REIT

Charter Hall Retail REIT is a leading listed real estate investment trust with a portfolio of high quality Australian supermarket anchored neighbourhood and sub-regional shopping centres.

Charter Hall Retail REIT is managed by Charter Hall Group (ASX:CHC), one of Australia's leading fully integrated property groups, with over 26 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$20.0 billion of funds under management across the office, retail and industrial sectors. The Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

The Group's success is underpinned by a highly skilled and motivated team with diverse expertise across property sectors and risk-return profiles. Sustainability is a key element of its business approach and by ensuring its actions are commercially sound and make a difference to its people, customers and the environment, Charter Hall can make a positive impact for its investors, the community and the Group. For further information on Charter Hall Group and Charter Hall Retail REIT go to www.charterhall.com.au

For further information, please contact

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