
10 November 2017

Acquisition - Botanicca Corporate Park, Melbourne

GARDA Capital Limited (**GARDA**) as responsible entity of GARDA Diversified Property Fund (**Fund or GDF**) is pleased to announce it has entered into a contract to acquire a \$9.67 million site in Richmond, Melbourne.

Located at 588 Swan Street, Richmond, the 3,621m² land parcel sits within the desirable Botanicca Corporate Park, a premium city fringe office precinct approximately 4km's east from the Melbourne CBD.

The Melbourne city fringe office market is currently one of the strongest performing suburban office markets in Australia with a low vacancy rate of 3.5% and strong tenant demand.

The Fund expects to settle the site acquisition on 14 November 2017, which will be funded through existing debt facilities.

Following settlement, GARDA intends to engage Melbourne construction company, Hamilton Marino, and will construct a new 7,254m², 5 level A-grade office building with floor plates ranging from 1,200m² to 1,500m², to be known as Botanicca 9. GARDA is targeting a 5 Star NABERS rating for Botanicca 9 and expects construction to be completed by first quarter 2019.

GDF owns the existing 6,587m² Botanicca 7 office building, valued at \$41.0 million at 572 Swan Street, Richmond. Botanicca 7 continues to be 100% occupied with a WALE of 6.1 years. Tenants include global engineering business, Golder Associates, trans-Tasman construction business, Fulton Hogan, and McLardy McShane, a national insurance brokerage. GDF has recommitted leasing over all of this building over the past 18 months in a softer leasing market than currently being experienced.

GARDA Executive Chairman Matthew Madsen said "we are pleased to announce this asset creation acquisition. GARDA has specifically sought an increased exposure to the Melbourne fringe office market and this type of asset creation is expected to provide GDF with superior returns compared to the acquisition of an existing building. We are encouraged by the very low vacancy, increasing tenant demand and demonstrated rental growth and reduction in incentive levels in this market. Furthermore, the lack of available stock and the lack of confirmed new supply in the city fringe is expected to continue to drive rent and value growth for the foreseeable future".

GARDA reiterates distribution guidance of 9.0 cents per unit for the 2018 financial year.

-Ends-

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About GARDA Diversified Property Fund (ARSN 104 391 273)

GDF is an ASX listed real estate investment trust (REIT) which invests in commercial offices in city and suburban markets as well as industrial facilities along the eastern seaboard of Australia.

GDF currently holds 9 established property assets independently valued at \$233 million.

About GARDA Capital Limited

GARDA Capital Group is an ASX listed (ASX: GCM) real estate investment and funds management group. The GARDA Capital Group is co-invested in GDF holding a 9% stake.

GARDA Capital Limited is the responsible entity of GDF, is a member of the GARDA Capital Group and holds AFSL 246714 which permits it to act as the responsible entity for GDF.
