

13 December 2017

## ASX ANNOUNCEMENT

### SCA PROPERTY GROUP (ASX: SCP)

## December 2017 Property Valuations

SCA Property Group (ASX: SCP) ("SCP") announces the results of its property valuations as at December 2017.

Nineteen of the properties from June 2017 were independently valued. In addition the three properties acquired after June 2017 were also independently valued. The remaining 56 properties were internally valued.

The total portfolio's weighted average capitalisation rate ("WACR") remained at 6.47% as at December 2017 (6.47% at June 2017).

The total value of investment properties at December 2017 was \$2,430.5m representing an increase of \$65.9m during the period, comprising the following:

- Acquisitions completed during the period added \$31.1m, being Sugarworld Shopping Centre in Cairns QLD (acquired for \$24.8m), Belmont Bowling Club located above our Belmont Central centre in NSW (acquired for \$4.8m) and the Shell Cove Town Centre development asset in NSW (land acquired for \$1.5m). In addition, we expect to acquire the Coorparoo childcare centre, located above our Coorparoo shopping centre, for \$7.3m prior to 31 December 2017.
- Like-for-like properties valuation increased by \$34.8m during the period, made up of the following:
  - \$15.3m increase in the valuation of Kwinana (to \$145.0m), after having invested development capex of \$5.0m during the period;
  - \$7.0m increase in the valuation of Bushland Beach (to \$19.8m), after having invested development capex of \$7.0m during the period; and
  - \$12.5m increase in the like-for-like valuation of the remaining properties, primarily due to the valuation net operating income increasing by 0.9%.

Investment Property Portfolio Valuation	A\$m
<b>June 2017 Portfolio Valuation</b>	<b>2,364.6</b>
- Add: Acquisitions <sup>1</sup> & disposals completed during the period at cost	31.1
- Add: Acquisitions & disposals valuation increase	-
- Add: Valuation increase 'like for like'	34.8
<b>December 2017 Portfolio Valuation</b>	<b>2,430.5</b>
<b>Valuation Weighted Average Capitalisation Rates:</b>	
- June 2017: % rate	6.47%
- December 2017: % rate	6.47%

<sup>1</sup> Excludes Coorparoo Child Care Centre which is expected to complete for \$7.3m prior to 31 December 2017.

Details of portfolio movements, including a comparison of independent and internal valuations, are set out in the table below:

Independent vs. Internal Valuations	A\$m
<b>Independent Values:</b>	
- Number	19
- % of portfolio by book value	28.9%
- <b>Change in Valuation (\$m)</b>	<b>19.7</b>
- Change in WACR	0.02%
<b>Internal Values:</b>	
- Number	56
- % of portfolio by book value	69.8%
- <b>Change in Valuation (\$m)</b>	<b>15.1</b>
- Change in WACR	-0.01%
<b>Acquisitions and Disposals:</b>	
- Number of Acquired Properties	3
- Number of Disposed Properties	-
- % of portfolio by book value	1.3%
- Cost of Acquisitions (\$m)	31.1
- Consideration for Disposals (\$m)	-
- Valuation gain/loss on Acquisitions and Disposals (\$m)	-
- <b>Valuation (\$m)</b>	<b>31.1</b>
- Change in WACR	0.00%
<b>Total:</b>	
- Number of Properties <sup>2</sup>	78
- <b>Change in Valuation (\$m)</b>	<b>65.9</b>
- Change in WACR	0.00%

For financial reporting purposes, the impact of these valuation increases on net tangible assets will be reduced by stamp duty paid on acquisitions, capital expenditure and tenant incentives.

**ENDS**

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<sup>2</sup> Belmont Bowling Club will be consolidated with Belmont Central. As such, total number of properties is 77.