

ASX/Media Announcement

22 May 2018

Propertylink leases key expiry at 82 Taryn Drive, Epping and provides an operational update

Propertylink Group (ASX:PLG) announces the leasing of a key expiry in the wholly owned industrial portfolio, signing an agreement with New Age Caravans, a division of Walkinshaw Automotive at 82 Taryn Drive, Epping, Victoria. Further, Propertylink provides an update on strong leasing outcomes achieved across the wholly owned industrial portfolio and external funds during the second half of FY18.

Wholly Owned Industrial Portfolio

Propertylink has leased or reached agreed terms on a further 28,584 sqm since 31 December 2017 across 11 transactions, including nine new deals and two renewals.

Key leasing deals during the period include:

- A new three-year lease over 10,590 sqm at 82 Taryn Drive, Epping, Victoria to New Age Caravans, part of the Walkinshaw Automotive Group. This lease results in no downtime on the property and removes a key lease expiry occurring in June 2018.
- A new five-year lease over 4,902 sqm at 7 Modal Crescent, Canning Vale, WA to Leeuwin Transport.
- A new four-year lease to Global Industrial over 2,444sqm at 57-101 Balham Road, Archerfield, Queensland.

Propertylink's Chief Investment Officer, Mr Peter McDonald said strong leasing results had been delivered during the year by Propertylink's in-house asset and property management team.

"Since 1 July last year, we have transacted on 52,022 sqm or 11.3% of the portfolio, which has delivered excellent outcomes evidenced in our near full occupancy and low expiry profile," Mr McDonald said.

"By retaining the management of our tenant relationships in-house, we foster strong and enduring partnerships that enable us to work closely with our tenants to meet their changing needs.

"We have demonstrated this with the extension of our successful relationship with Walkinshaw Automotive, working collaboratively on space requirements for their New Age Caravans business. Through this transaction we have provided New Age Caravans with high quality industrial accommodation in a sought-after location and managed a key FY18 expiry in our wholly owned industrial portfolio with no downtime, delivering a great outcome for both parties" he said.

Mr McDonald said that Propertylink's active approach to asset management along with the strategic positioning of the wholly owned industrial portfolio in urban east-coast infill locations was delivering solid results.

“With 83% of the portfolio weighted to Sydney and Melbourne we are exposed to the two strongest industrial markets in the country.

“The location of these assets in urban infill areas position us to capture significant rental growth fueled by demand by e-commerce users in these highly sought after locations close to the end consumer,” Mr McDonald said.

As at 30 April 2018¹, Propertylink’s wholly owned industrial portfolio had a WALE of 3.9 years, occupancy of 97.4% and remaining lease expiry of 1.8% for FY18.

External Fund Assets

Further strong leasing activity was delivered across assets held in external funds. Since 31 December 2017 Propertylink has leased or reached agreed terms on 64,852 sqm across the portfolio with key leasing deals including:

- Agreed terms over approximately 11,000 sqm of modern industrial warehousing in north western Sydney for a six-year period, prior to the commencement of marketing and with no downtime;
- Two five-year leases at 495 Victoria Street, Wetherill Park NSW to Auspods Holdings and Yamaha Motor Australia over a combined area of 13,925sqm acquired vacant as part of the growth of the PAIP II portfolio; and
- Agreed terms over approximately 24,000 sqm for two properties in Tullamarine, Victoria to third party logistic providers on long term leases.

Propertylink’s Managing Director and Chief Executive Officer, Stuart Dawes said Propertylink’s fully integrated business model was providing a superior platform for delivery of strong returns to investors in its external funds.

“Since inception we have achieved a total return of 24% across our investment management platform, with our active approach to asset management including leasing and our strong ability to manage leasing risk, a core component in driving asset performance to deliver excellent results,” said Mr Dawes.

“There is continued strong appetite for international investors seeking exposure to Australian office and industrial real estate.

“Investor demand combined with our strong performance and strategies surrounding the emerging market trends of urbanisation and e-commerce positions us well for growth across our investment management platform,” he said.

¹ Excluding 1 Lake Drive, Dingley VIC which will become a development asset at 30 June 2018

Guidance

Propertylink reiterates that the Group remains on target to deliver previous FY2018 guidance of:

- Distributable Earnings per Security of 9.0 cents; and
- Distribution per Security of 7.3 cents per security.

Propertylink will announce its FY18 results on Tuesday 14 August 2018.

Further Enquiries

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About Propertylink

Propertylink is an A-REIT, listed on the Australian Stock Exchange under the code “PLG”. Propertylink is an internally managed real estate group that owns and manages a diversified portfolio of logistics, business park and office properties and is a leading investment and asset management business with A\$1.7 billion of assets under management. Propertylink’s integrated, in-house approach to active asset management is aimed at maximising the performance and value of assets under management for our global investors from North America, Europe, the Middle East, Asia and Australia.