



Property Group

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ASX ANNOUNCEMENT

June 2018 Property Valuations

SCA Property Group (ASX: SCP) ("SCP") announces the results of its property valuations as at June 2018.

Fifteen of the properties were independently valued. The remaining 58 properties were internally valued.

Overall the total portfolio capitalisation rate improved by 14bps to 6.33% at June 2018 (6.47% at December 2017), and the total value of investment properties increased by \$16.1m to \$2,453.8m. The components of this increase were:

- Like-for-like Australian properties valuation increased by \$60.1m, or 2.5%. The increase is driven by the tightening of cap rates and an increase in like-for-like valuation NOI of 0.7%;
- Valuation of development properties increased by \$15.4m, comprising \$13.8m from Shell Cove and \$1.6m from Bushland Beach, reflecting capitalised development costs to date; and
- Properties transferred to "Assets Held for Sale" during the period subtracted \$59.4m, being the SURF 3 retail fund properties (Moama Marketplace, Swansea, Warrnambool Target and Woodford).

Investment Property Portfolio Valuation	\$m
December 2017 Portfolio Valuation	2,437.7
- Add: Valuation increase on 'like-for-like'	60.1
- Add: Valuation increase on Development Properties	15.4
- Less: Properties transferred to Assets Held For Sale during the period	(59.4)
June 2018 Portfolio Valuation	2,453.8

Valuation Weighted Average Capitalisation Rates:	
- December 2017: % rate	6.47%
- June 2018: % rate	6.33%

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

Independent vs. Internal Valuations	\$m
Independent Values:	
- Number	15
- % of portfolio by book value	18.7%
- Change in Valuation (\$m)	10.8
- Change in WACR	0.12%
Internal Values:	
- Number	58
- % of portfolio by book value	78.9%
- Change in Valuation (\$m)	64.7
- Change in WACR	0.13%
Acquisitions, Disposals and Transfers:	
- Number of Acquired Properties	-
- Number of Disposed Properties	-
- Number of Properties Transferred to Assets Held for Sale	4
- % of portfolio by book value	2.4%
- Cost of Acquisitions (\$m)	-
- Consideration for Disposals (\$m)	-
- Value of Properties Transferred to Assets Held for Sale	(57.9)
- Valuation gain/loss on Assets Held for Sale (\$m)	(1.5)
- Valuation (\$m)	(59.4)
- Change in WACR	(0.03%)
Total:	
- Number of Properties	73
- Change in Valuation (\$m)	16.1
- Change in WACR	0.14%

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

ENDS

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Unitholders should contact SCP Information Line on 1300 318 976 with any queries.