



ASX ANNOUNCEMENT

Abacus initiates second joint venture with Heitman LLC.

Abacus Property Group (ASX: ABP) has entered into a second joint venture partnership with Heitman LLC, a global real estate investment management firm, with simultaneous exchange and settlement of a high quality city fringe commercial building in Brisbane QLD for c.\$170 million (100% of value). Abacus and Heitman, which acquired its interest on behalf of an affiliate of the firm, will acquire a 50% interest each as tenants in common.

The building known as K1, located at 1 King Street in Fortitude Valley, close to the Brisbane CBD is a near new, high quality, 6-star NABERS rated assets with a strong multi-tenant profile and a WALE of over 6 years. The property is fully leased to a number quality national and global tenants.

The property highlights the Group's city fringe strategy where we see market change and fundamental value opportunities, especially where they are supported by improving infrastructure, transport and access to amenities and lifestyle choices. The property is expected to generate strong and stable real cash returns with limited capital expenditure or vacancy expected over the medium term. We also anticipate significant regeneration of the Fortitude Valley area, which is currently undergoing large scale development that should enhance the location in the future.

Abacus Managing Director, Mr Steven Sewell, said "We are excited to once again work with Heitman in the Australian real estate market following a successful first venture. This further highlights Abacus' credentials as a partner of choice for local and global real estate investment managers. This high quality asset will improve our portfolio and is expected to be earnings accretive for the remainder of FY19."

Heitman LLC Managing Director of Asia-Pacific Private Real Estate Equity, Mr Skip Schwartz said "We view our investment in K1, a Grade-A asset that is well-situated in the Brisbane market with a strong tenant profile, as compelling and well-positioned to benefit in the future from the growing demand for high-quality, environmentally sensitive office space. We are pleased that we are able to execute this transaction alongside of Abacus and look forward to our continued success in our Australian collaborations."

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Investor enquiries

Neil Summerfield
Head of Investor Relations
(+61) 2 9253 8640
www.abacusproperty.com.au



About Abacus

Abacus Property Group is a diversified property group that specialises in investing in core plus property opportunities across Australia's commercial property markets. Abacus was established in 1996 and listed on the ASX in November 2002. Abacus has achieved a successful track record of acquiring property based assets and actively managing those assets to enhance income and capital growth. Abacus has a market capitalisation of \$2.0bn.

About Heitman

Founded in 1966, Heitman LLC is a global real estate investment management firm with approximately \$42 billion in assets under management. Heitman's real estate investment strategies include direct investments in the equity or debt capitalization of a property or in the securities of listed and publicly traded real estate companies. Heitman serves a global client base with clients from North American, European, Middle Eastern and Asia-Pacific institutions, pension plans, foundations and corporations and individual investors. Headquartered in Chicago, with offices in Los Angeles, London, Luxembourg, Frankfurt, Munich, Warsaw, Hong Kong, Seoul, Tokyo, and Melbourne, Heitman's more than 325 employees offer specialized expertise – from a specific discipline to local insight.