

ASX Release

Charter Hall Long WALE REIT acquires a \$60m portfolio with 15.7 year WALE

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Charter Hall Long WALE REIT (ASX:CLW) (CLW or the REIT) today announced the following acquisitions:

- Club Hotel and First Choice Liquor, Waterford, Brisbane (**Property**) for \$22.0 million, representing a yield of 5.7%. The Property is leased to wholly owned subsidiary of Coles with a lease term remaining of 14.4 years at the time of settlement; and
- acquisition of an additional 4.9% interest in the 16.3 year WALE, Long WALE Investment Partnership (**LWIP**) from Charter Hall Group, of which CLW already owns 45.0%, for a total consideration of \$20.9 million¹, in line with 30 June 2018 market valuations and reflecting a portfolio yield of 5.9%.

These acquisitions increase CLW's exposure to long leased hospitality and retail liquor assets with strong tenant covenants, long leases and attractive rent reviews.

Club Hotel, Waterford, Brisbane

The Property comprises a tavern that incorporates a main bar, sports bar, dining area, function room and an outdoor terrace seating area. A standalone First Choice Liquor outlet is also located on the site and is included in the leased area. Both tenancies are leased to Liquorland (Qld) Pty Ltd (Coles), with a 14.4 year lease term remaining, rent reviews of the lesser of 3.0% and 2 x CPI and a double net lease structure with the tenant responsible for 100% of outgoings.

The Property is located 27km south-west of the Brisbane CBD, in the greater Logan area, which is one of the fastest growing urban growth corridors in southern Queensland. The area benefits from proximity to major demand drivers such as Griffin University Logan Campus (4.5km south) and Logan Hospital (3km south) along with new and existing residential development.

LWIP – increased stake in the \$769 million portfolio

CLW has also increased its interest in the \$769 million LWIP portfolio from 45.0% to 49.9%. LWIP's portfolio comprises 57 ALH leased, triple net leased properties, 80% weighted to the Eastern Seaboard states with a portfolio WALE of 16.3 years (as at 30 June 2018). The 4.9% equity interest acquired increases the CLW exposure to the \$769 million LWIP portfolio by \$37.7 million.

Both transactions combined will utilise \$42.9 million (plus costs) of the \$135 million proceeds from the sale of 50% of the ATO Adelaide office building, which settled in August 2018.

Avi Anger, Long WALE REIT Fund Manager commented on both transactions: "We are pleased to extend our relationship with both ALH and Coles, both very high quality tenant covenants in the hospitality sector and throughout our \$1.5 billion portfolio, whilst also extending the portfolio WALE.

¹ 4.9% of units in LWIP represents \$37.7 million of property as at 30 June 2018



“The REIT continues to focus on actively managing the portfolio by deploying capital from recent transactions into well located assets that target both income and capital growth, via an exposure to a high quality portfolio of long WALE properties.”

CLW reconfirms its guidance for FY19 Operating EPS between 26.4 – 26.6 cents per security.

About Charter Hall Long WALE REIT

Charter Hall Long WALE REIT is an Australian Real Estate Investment Trust (“REIT”) listed on the ASX (ASX: CLW) and invests in high quality Australasian real estate assets that are predominantly leased to corporate and government tenants on long term leases.

Charter Hall Long WALE REIT is managed by Charter Hall Group (ASX:CHC), one of Australia’s leading fully integrated property groups, with over 27 years’ experience managing and investing in high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$23.2 billion of funds under management across the office, retail and industrial sectors. The Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

The Group’s success is underpinned by a highly skilled and motivated team with diverse expertise across property sectors and risk-return profiles. Sustainability is a key element of its business approach and by ensuring its actions are commercially sound and make a difference to its people, customers and the environment, Charter Hall can make a positive impact for its investors, the community and the Group.

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