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Centuria Property Funds No.2 Limited

CENTURIA INDUSTRIAL REIT

CIP Q3 FY19 OPERATING UPDATE

Monday, 29 April 2019

Centuria Property Funds No. 2 Limited (**CPF2L**) as Responsible Entity of Centuria Industrial REIT (**ASX:CIP**), is pleased to provide CIP's operating update for Q3 FY19.

Key Highlights

- **Terms agreed¹ for leasing deals over 37,015sqm across six transactions, 12.7% of portfolio leased FY19 YTD**
- **0.2% lease expiry remaining in FY19, FY20 reduced to 9.8%**
- **WALE at 4.5 years², occupancy 97.3%²**
- **Acquisition of 16-18 Baile Rd, Canning Vale for \$18.1m³**

Property portfolio and leasing

Ross Lees, CIP Fund Manager, commented, "Our strong focus on active management has continued to benefit CIP's portfolio. Leasing success through the quarter has resulted in the portfolio's FY19 expiry profile reducing to just 0.2% while all expiries within the period were either renewed or leased with no downtime. Looking ahead, the portfolio's FY20 expiry profile reduced to 9.8% with 76% of these expiries located in strong performing Sydney and Melbourne markets. The portfolio remains well positioned with a WALE of 4.5 years² and occupancy of 97.3%²."

Significant leases agreed in the quarter include:

- 103 Stirling Street, Hazlemere, WA (6,608sqm): Terms agreed for a three year renewal to Actionblast. The asset was purchased in December 2018, with a 1.6 year WALE². The terms agreed increase asset WALE to 4.3years²
- 69 Studley Court, Derrimut, VIC (14,365sqm): Renewal to Silk Logistics across 100% of the property, extending the lease expiry to FY21.

Transactions and capital management

CIP continued to be active in transactional markets with the acquisition of 16-18 Baile Rd, Canning Vale, WA for \$18.1m, reflecting an initial yield of 7.0%. The 11,067sqm facility is leased to DHL and represents a high quality, modern logistics warehouse in one of Perth's core industrial markets.

CIP elected to underwrite its Distribution Re-investment Plan for March 2019, raising \$12.3m. Proceeds will be utilised to reduce debt following the acquisition of 16-18 Baile Rd, Canning Vale.



Ross Lees commented, "We have continued to identify opportunities to enhance CIP's portfolio through the acquisition of 16-18 Baile Road, a modern logistics asset underpinned by a high-quality tenant, which improves the diversification within the portfolio and continues to increase CIP's footprint within core industrial markets across Australia. Following the acquisition of 16-18 Baile Road CIP has acquired over \$130m of high-quality industrial assets in FY19."

FY19 guidance and summary

CIP confirms its FY19 distributable earnings guidance of 18.5-19.0 cents per unit, with distributions of 18.4 cents per unit.

Ross Lees commented, "Our active management approach has continued to deliver strong leasing outcomes, which have further de-risked the portfolio's expiry profile. Additionally, we have identified and executed attractive acquisitions to continue to enhance and grow CIP, cementing our position as Australia's largest domestic only pure play industrial REIT."

- Ends -

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About Centuria Property Funds No. 2 Limited

Centuria Property Funds No. 2 Limited (CPF2L), is the Responsible Entity for the ASX-listed Centuria Industrial REIT (CIP).

CIP is Australia's largest ASX-listed income focused industrial investment vehicle and is included in the S&P/ASX 300 Index. CIP owns a portfolio of 42 high quality industrial assets with a value of \$1.2 billion, the properties are in key metropolitan locations throughout Australia.

CPF2L, combined with Centuria Property Funds Limited (CPFL), are wholly owned subsidiaries of Centuria Capital Group (CNI) and have approximately \$4.8 billion of assets under management across 15 unlisted property funds, one open-ended diversified property fund and two listed REITs.

CNI is an ASX-listed specialist investment manager with approximately \$5.6 billion in assets under management.

www.centuria.com.au

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- 1 Includes Heads of Agreement (HOA)
 - 2 By income
 - 3 Before transaction costs