

ASX Release

Charter Hall wholesale partnership in co ownership investment with Abacus to acquire \$630m Sydney CBD office tower

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Charter Hall Group (ASX:CHC) (Charter Hall or the Group) today confirmed that it has established a new partnership comprising two of its wholesale partnerships to acquire 68% of the freehold, tenants in common interest in 201 Elizabeth Street, Sydney. Charter Hall has partnered with Abacus (ASX:ABP) who will buy the remaining 32% tenants in common interest.

The expected total purchase price is \$630,000,000 and the transaction will occur in two tranches, with 75% of the total purchase price payable by mid-November 2019 and the remaining 25% subject to a put and call option expiring at the end of October 2020. The vendor is a 50/50 joint venture between Dexus (ASX: DXS) and Perron Group.

The property comprises a prominent A-Grade commercial building with 34 levels of office accommodation over 36,983 sqm of net lettable area (NLA), above a lower ground food court (12 retail tenancy areas over 1,428 sqm of NLA) and two levels of basement parking for 169 cars.

The property is positioned on a large CBD north eastern corner site of 3,901sqm with three street frontages to Elizabeth Street, Park Street and Castlereagh Streets, providing excellent exposure to pedestrian and vehicular traffic. The new Pitt Street metro station, anticipated to open in 2024, will be located diagonally opposite the property further improving public transport access. The property is 99.9% occupied and benefits from average rent reviews of 3.99% per annum and a 4.5 star NABERS Energy rating.

Charter Hall Group Managing Director and CEO, David Harrison commented: "This off market transaction reflects the deep relationships we have across our platform with our investor customers, with capacity to fund major transactions in the Australian market whilst continuing our partnership relationship with Abacus.

"The Charter Hall partnerships comprise the existing DVP partnership with a new partnership formed with one of Canada's largest pension fund owned property groups Quadreal."

Charter Hall Group (ASX: CHC)

With over 28 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors – office, retail, industrial and social infrastructure.

Operating with prudence, we've carefully curated a \$34 billion diverse portfolio of over 820 high quality, long leased properties. Partnership and financial discipline are at the heart of our approach. Acting in the best interest of customers and communities, we combine insight and inventiveness to unlock hidden value. Taking a long term view, our \$7 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with superior returns for a better retirement, we're powered by the drive to go further.

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