

1 July 2021

Acquisition of 1/3rd interest in Myer Melbourne

Abacus Property Group (“Abacus”) (ASX: ABP) announces that it has exchanged contracts to acquire a 1/3rd interest in the property known as “Myer Melbourne”, 314-336 Bourke Street, Melbourne VIC, with settlement anticipated by the end of July 2021. Simultaneously, Charter Hall Long WALE REIT (ASX: CLW) will acquire a 1/3rd interest (as tenants-in-common) with the remaining 1/3rd share retained by the property manager, Vicinity.

Total consideration for the acquisition is \$135.2 million, excluding transaction costs and reflects circa \$10,157 per square metre of gross lettable area (GLA) and a 6% passing yield. The acquisition will be funded by debt.

The property is one of Melbourne CBD’s best-known buildings and is located in a prominent position on the Bourke Street Mall, with a 61 metre frontage offering nine levels of retail accommodation over circa 40,000sqm of GLA. The building has a weighted average lease expiry (WALE) of 10.5 years and is 100% leased to Myer Pty Limited and guaranteed by Myer Holdings Limited.

Managing Director, Steven Sewell commented “It is pleasing to be able to take advantage of this intergenerational opportunity with longer term repositioning potential. This transaction aligns with our strategic priority of acquiring commercial assets in select locations where we see amenity and infrastructure improvements that we believe will ultimately translate to strong tenant demand. With the potential for a degree of repositioning, this is a great opportunity for the group, together with its partners, to implement active asset management plans and drive superior returns from the asset.”

END

INVESTOR & MEDIA ENQUIRIES

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