



## **ASX RELEASE**

8 July 2022

### **Acquisition of Large Format Retail property in Brisbane, QLD**

Newmark REIT Management Limited (**NRML**) as the responsible entity of Newmark Property REIT (**NPR**) is pleased to announce today the exchange of a contract for the acquisition of a large format retail (**LFR**) property in metropolitan Brisbane, Queensland.

The off-market acquisition is for a 100% freehold interest in a 2.8 Ha LFR property at 1-17 Compton Rd in Underwood, Queensland for a total purchase price of \$57.0 million.

- The property is a purpose built LFR site, located approximately 20km South-East of the Brisbane CBD in a prominent location at the intersection of Kingston and Compton Roads (a high traffic volume intersection) and is in significant growth corridor.
- The property sits adjacent to Bunnings Underwood – a recently built and strong performing Bunnings store on Compton Road.
- The property comprises four buildings with a combined lettable area of 11,115 m<sup>2</sup>, featuring a strong tenant mix that includes quality national retailers such as Officeworks, Supercheap Auto and Sydney Tools. The tenancy mix is highly defensive with more than 80% of the lettable area leased to medical uses and leading national retailers, providing diversification benefits for the portfolio.
- With occupancy of 99%, a Weighted Average Lease Expiry (**WALE**) of 6.3 years and average rental increases of 3.1% p.a. the property provides additional defensive and growing income for the portfolio.
- The acquisition of the Property will increase the NPR portfolio to 9 properties enhancing the portfolio's geographic diversity and increasing NPR's exposure to Queensland from 13% to 21%.
- Settlement is expected to occur in early September 2022. There are three conditions to settlement relating to tenancy handover and satisfaction of development approval conditions, which may be waived in NRML's discretion.
- The acquisition will be funded via NPR's existing debt facility and is expected to be accretive to NPR's FFO immediately post settlement. The acquisition is not expected to impact on NPR's previously published distribution guidance, based on current information and barring any unforeseen circumstances.

- Post settlement, pro-forma portfolio metrics are expected to be as follows:

<b>Metric</b>	<b>Post Settlement (estimated)</b>	<b>30 April 2022 (last ASX update)</b>
Total Portfolio Value <sup>1</sup>	\$620.25M	\$563.25M
Gearing <sup>2</sup>	36.5%	25.1%
Occupancy	100%	100%
Percentage of NPR portfolio leased to Wesfarmers group entities	74.1%	80.3%
WALE <sup>3</sup>	7.1 years	7.3 years

- <sup>1</sup> Accounts for the Preston property on an 'as if complete' basis and assumes no changes to carrying values of other assets.
- <sup>2</sup> Gearing is calculated as total interest bearing liabilities less cash divided by total tangible assets less cash, at current carrying values.
- <sup>3</sup> Weighted by gross passing income as at the relevant date and accounts for the Preston property on an 'as if complete' basis.

#### **Acquisition of Compton Road, Underwood**

Chris Langford, Newmark Capital Joint Managing Director, said: *"The Property is a high-quality property that is located on a significant land holding on the corner of two arterial roads in a sizeable catchment area and underpinned by leading national retailers. We believe that this combination of underlying real estate and tenancy mix provides for a high-quality long-term investment."*

Ed Cruickshank, NPR Fund Manager, said: *"NPR's objective is to provide investors with exposure to high-quality real estate targeting consistent and growing distributions and the acquisition of the property provides just this. This high-profiled LFR property is located in a thriving local economy and anchored by high quality, strong performing tenants on long term leases with attractive built-in growth. The acquisition is complementary to NPR's strategy and existing portfolio and provides the exposure and diversification of geography and defensive and growing income profile that NPR is seeking to provide its investors."*

#### **Authorised for release by the Board**

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