

Centuria JV Secures \$223m Allendale Square Office Tower

- ***\$223m A-Grade CBD Perth office JV acquisition with MA Financial Group***
- ***Counter-cyclical investment underpinned by strong local market tailwinds***
- ***5.8-year WALE¹, 85% occupancy² provides opportunity for lease repositioning upside***
- ***Centuria launches single-asset unlisted wholesale property fund; strategic value-add acquisition***

SYDNEY (Wednesday, 21 September 2022) – Centuria Capital Group (ASX: CNI or “Centuria”) has acquired a 50% interest in an A-Grade Perth office building for \$111.5million on a 7.25% capitalisation rate, which will form a new, unlisted single-asset close-ended wholesale property fund, Allendale Square Fund (“Fund”), providing an initial five-year term.

The acquisition is part of a counter-cyclical investment strategy with the iconic office tower secured with significant embedded capital value and current vacancies and near-term expiries providing an opportunity to generate lease repositioning upside by leveraging Centuria’s in-house active management capabilities.

The well-known 31-storey office building, Allendale Square, is located within the heart of Perth’s CBD at 77 St George’s Terrace, providing 25,908sqm of office accommodation and 2,745sqm of retail space across a subterranean shopping arcade. The asset was acquired in a 50:50 joint venture partnership with MA Financial.

Jason Huljich, Centuria Joint CEO, said “Allendale Square provides a great counter-cyclical, value-add investment opportunity being acquired with embedded capital value and within a market that benefits from strong tailwinds. Perth has the country’s highest physical occupancy rate among all capital cities³ and the market is further supported by a strong outlook for tenant demand throughout the medium term.

“Furthermore, the property benefits from its close proximity to Elizabeth Quay. Significant redevelopment is being completed within the quayside area in the short to medium term, which extends across the same period as the Fund’s term. This A-Grade office building provides direct access to the new, rejuvenated waterside precinct while being in the heart of Perth’s CBD.

“Historically, Centuria is well-known for its value-add office investments. We believe throughout the short to medium-term, these opportunities will be a key pillar of our growth alongside some of our alternative asset sectors, such as healthcare and real estate credit. This acquisition caters to strong appetite from our wholesale investor base.”

Allendale Square has a 5.9-year WALE¹ and 85%² occupancy.

Allendale Square Fund has a minimum entry investment of \$100,000. Centuria will seek to raise c.\$70million to launch the Fund.

The acquisition is Centuria’s second joint venture with MA Financial having secured 25 Grenfell Street, Adelaide, in October 2022. Centuria successfully completed a \$48.5million capital raise for the single-asset close-ended Centuria 25 Grenfell Street Fund.

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Authorised for release by Anna Kovarik, Company Secretary.

Centuria Capital Group (CNI) ASX Announcement

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About Centuria Capital Group

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with more than \$20 billion of assets under management. We offer a range of investment opportunities including listed and unlisted real estate funds as well as tax-effective investment bonds. Our drive, allied with our in-depth knowledge of these sectors and intimate understanding of our clients, allows us to transform opportunities into rewarding investments.

www.centuria.com.au

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¹ Weighted Average Lease Expiry (WALE) by income including Vendor Rental Guarantees, as at 1 December 2022

² The property is currently c.90% occupied and is secured with 12, 18 and 24-month gross rental guarantee over the remaining vacant space and retail tenancies

³ Source: ANZ/ Property Council Office Market Report July results