

### Q1 FY23 Operating Update

- *c.12,516 sqm of lease terms agreed<sup>1</sup> YTD across 18 transactions (4.1% of portfolio NLA);*
- *Adelaide asset under construction tops out, pre-lease commitments increase to 60%, 6.5-year WALE*
- *94.9% portfolio occupancy<sup>2</sup>, 4.2-year WALE<sup>3</sup>*
- *Reaffirmed FY23 FFO guidance of 15.8cpu and distribution guidance of 14.1cpu, current yield of 9.9%<sup>4</sup>*

**SYDNEY** (Tuesday, 25 October 2022) - Centuria Office REIT (**ASX: COF**) is pleased to provide COF's operating update for Q1 FY23.

Grant Nichols, COF Fund Manager and Centuria Head of Office, said, "COF achieved strong leasing outcomes across its national portfolio during the first quarter of FY23 as the occupier flight to quality trend continued, particularly among small to medium businesses upgrading to prime assets within well located near-city, metropolitan, fringe and regional markets.

"The REIT continues to benefit from Centuria's inhouse property management capabilities with a team at the coalface of tenant relations, enabling assets to be repositioned to meet shifting tenant preferences, especially towards facilities and third space offering wellbeing amenity and a more flexible work-life lifestyle.

"We believe that leasing activity will continue to accelerate in coming months, with tenant demand supported by Australia's strong employment and a desire from tenants to return to the office. During the period, Australian office markets witnessed increased physical workspace occupancy, which has been reflected in the Property Council of Australia's monthly office occupancy surveys."

### PROPERTY AND PORTFOLIO LEASING

Throughout FY23 (YTD), terms were agreed<sup>1</sup> or leases completed for c.12,516 sqm across 18 separate deals, comprising 10,328 sqm of new leases (3.4% of portfolio NLA) and 2,188 sqm of renewals (0.7% of portfolio NLA). COF has agreed four leases over 1,000 sqm during the period, accounting for approximately half of the leased area. Strong leasing activity underpinned increased portfolio occupancy to 94.9%<sup>5</sup>, while WALE was maintained at 4.2 years.

Key highlights include:

- High volumes of leasing in Brisbane continued into the first quarter with 4,302 sqm of leases secured in Fortitude Valley and South Brisbane, with lease terms ranging from three to seven years;
- 235 William Street, Northbridge WA: a collective 3,251sqm was secured across two tenancies, increasing occupancy to 99%;
- Solid leasing activity in Canberra across 2,265sqm which resulted in lease extensions of most FY23 expires at 54 Marcus Clarke Street to maintain 100% occupancy, and 95% occupancy achieved at 60 Marcus Clarke Street;
- The development at 57 Wyatt Street, Adelaide SA topped out during the period and pre-commitments increased to c.60%.

### SUSTAINABILITY

COF is committed to Centuria's sustainability framework, which details Environmental, Social and Governance (ESG) initiatives. By the REIT's nature, COF has no employees and is solely a portfolio of assets.

Centuria's recently published 2022 Sustainability Report details initiatives undertaken by the Group, including those undertaken by COF. Highlights include:

- Launching a Tenant Engagement Network app called T.E.N by Centuria, which enables tenants to efficiently communicate with their facilities and property management teams via their smart phones. The system was piloted at 818 Bourke Street, Docklands VIC.
- Targeting a Five-star Green Star rating at the 57 Wyatt Street, Adelaide office development
- Achieved a "Gold" WireScore Rating for connectivity infrastructure at 818 Bourke Street, Docklands

# Centuria Office REIT (COF)

## ASX Announcement

# Centuria

- An increased NABERS Sustainable Portfolio Index (SPI) energy rating of 4.8 Stars (up from 4.7 stars pcp) and NABERS water rating of 3.7 Stars (up from 3.2 stars pcp).
- 710 solar panel system installation at 8 Central Avenue, Eveleigh NSW was completed, which is estimated to avoid 355 tonnes of carbon while providing 433 MWh of energy annually
- Centuria's gender diversity of 41% to 59%, females to males
- 94%<sup>6</sup> of employees enjoy working at Centuria, 96%<sup>7</sup> of tenants are satisfied with Centuria as a landlord

Centuria's 2022 Sustainability Report is available on Centuria Office REIT's [website](#).

### FY23 GUIDANCE AND SUMMARY

COF reaffirms its FY23 FFO guidance of 15.8cpu and distribution guidance of 14.1 cpu, representing a FY23 distribution yield of 9.9% based on its current trading price<sup>4</sup>.

Grant Nichols concluded, "Through the first quarter of FY23, we have seen more workers return to the office and employment rates remained strong. Inflation and interest rates continued to increase, however, the recent changes made by the central bank remain in line with the cash rate assumptions originally adopted in forming FY23 FFO guidance. We remain optimistic as tenant enquiry and overall leasing activity for COF's assets remains high."

– Ends –

**For more information or to arrange an interview, please contact:**

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*Authorised for release by Anna Kovarik, Company Secretary.*

### About Centuria Office REIT

COF is Australia's largest ASX listed pure play office REIT and is included in the S&P/ASX300 Index. COF owns a portfolio of high quality office assets situated in core submarkets throughout Australia. COF is overseen by a hands-on, active manager and provides investors with income and the opportunity for capital growth from a pure play portfolio of high-quality Australian office assets.

Centuria Property Funds Limited (CPFL) is the Responsible Entity for the ASX listed Centuria Office REIT (COF) (ARSN 124 364 718). CPFL is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with more than \$20billion in total assets under management (as at 30 June 2022) and offers a range of investment opportunities including listed and unlisted property funds as well as tax-effective investment bonds.

[www.centuria.com.au](http://www.centuria.com.au)

### Summary Information

The following disclaimer applies to this announcement and any information contained in it (the Information). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with COF's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at [www.asx.com.au](http://www.asx.com.au). You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any Information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

### Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on COF's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of COF, which could cause actual results to differ materially from such statements. COF makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

# Centuria Office REIT (COF) ASX Announcement

# Centuria

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<sup>1</sup> Including Heads of Agreement (HoA)

<sup>2</sup> By income as at 30 September 2022

<sup>3</sup> Weighted Average Lease Expiry (WALE) by income as at 30 September 2022

<sup>4</sup> Based off a unit price of \$1.43 as at 24 October 2022

<sup>5</sup> Portfolio occupancy as at 30 June 2022 was 94.7%

<sup>6</sup> Centuria Capital Group undertake regular employee engagement surveys. The reported figure is from the Group's FY22 survey

<sup>7</sup> Centuria Capital Group undertake regular tenant surveys. The figure reported is from the Group's FY22 survey