
ASX ANNOUNCEMENT

6 FEBRUARY 2023

ACQUISITION OF SOUTH HEDLAND MOTEL

GDI¹ is pleased to announce that it has entered into a call option to acquire the South Hedland Motel (SHM) and the accompanying Lodge Motel (Lodge), for a combined purchased price of \$27.0 million². SHM and the Lodge are two separate properties located in the heart of South Hedland. The properties are about 300 metres from each other and it takes approximately four minutes to walk from one to the other. SHM comprises approximately 107 rooms, and the Lodge 135 rooms, with the ability to add up to another 40 rooms at the SHM site. The motels have been run as a combination of a standard motel operation and workforce accommodation. Over the last 15 years both motels have generated an average EBITDA of approximately \$6.7 million³, with FY22 reported EBITDA of \$9.7 million³ and FY23 EBITDA tracking to be at least 25% higher again.

JOINT VENTURE WITH TULLA GROUP

The acquisition of the SHM and Lodge is part of a broader strategy of investing into and managing workforce accommodation properties. GDI has signed a Term Sheet with Tulla Group to form a 50 / 50 joint venture to own, manage and syndicate 'co-living facilities' (Joint Venture). Tulla Group is the private investment vehicle of the Maloney family, who built The MAC Services Group, a mining accommodation company that was listed on the ASX in April 2007 and sold to Oil States International in December 2010. Tulla Group, through its wholly owned subsidiary Resource Accommodation Management Pty Limited (RAM), currently own and operate one village at Norseman, Western Australia. It is intended that this facility at Norseman and the SHM and the Lodge will be the seed assets of the Joint Venture. The Joint Venture is subject to formal documentation.

MINING ACCOMMODATION STRATEGY

We believe that there is a tremendous opportunity to invest in, own, manage and syndicate mining accommodation facilities. With the expertise of the Tulla Group, the Joint Venture intends to build and acquire accommodation facilities, and once the Joint Venture believes there is sufficient scale and diversity, GDI intends to syndicate the real estate to its network of high-net-worth investors, freeing up capital to invest in further facilities.

TERMS

Pursuant to the terms of the Term Sheet with Tulla Group, GDI intends to invest \$33.0 million into the Joint Venture. GDI intends to fund this commitment through its debt facility. The Joint Venture will use GDI's investment to fund the settlement of the SHM and the Lodge. Settlement of the SHM and the Lodge, and finalisation of the Joint Venture, is expected no later than 14 April 2023.



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Authorised for release by David Williams, Company Secretary

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1. GDI comprises the stapled entities GDI Property Group Limited (ACN 166 479 189) and GDI Property Trust (ARSN 166 598 161).
 2. GDI has paid a call option fee of \$1.35 million, which will be deducted from the purchase price on settlement.
 3. Past EBITDA figures have been provided by the vendor, with only the more recent trading history having been the subject of due diligence investigations.

GDI Property Group Limited
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