



Australian Securities Exchange - Company Announcements Platform

Centuria Capital Group

Centuria announces new \$72.3 million property fund

Sydney, 28 November 2016

- **\$72.33 million acquisition of Scarborough House for new unlisted fund**
- **\$455 million property acquisitions in past twelve months**
- **Continued strong demand for yield based property funds**

Following the recent announcement regarding the acquisition of 360 Capital's real estate funds management platform, Centuria Capital subsidiary, Centuria Property Funds Limited has today exchanged contracts to acquire Scarborough House in Woden, Canberra, from the Indigenous Real Estate Investment Trust for \$72.33 million.

The Property is 98% leased to the Department of Health, with a weighted average lease expiry profile of 8.4 years at settlement. Fund gearing is expected to be below 40 per cent, with an initial fund distribution yield of 7.00 per cent in FY17 growing to 7.25 per cent in FY18.

Group CEO John McBain commented "The Scarborough House acquisition is consistent with the group strategy of growing our property funds by selectively acquiring high quality investment properties within sensibly geared structures which provide attractive investor returns."

"Centuria is confident in its ability to consistently acquire superior investment grade assets and initial investor interest has been overwhelming, confirming our view that the demand for high quality yield-based property funds throughout our extensive network has not diminished and in fact appears to be building."

Scarborough House is a key component of the Department of Health's accommodation strategy in Canberra; the senior executive team resides in the building. Woden is an important 'Health Precinct' in terms of the Canberra office market, with the Department of Health occupying Scarborough House and Sirius House, and ACT Health recently leasing approximately 11,000 square metres in the neighbouring office building at 2-6 Bowes Street on a new 15-year lease.

The property will be acquired by a new Centuria unlisted property fund, the Centuria Scarborough House Fund which is expected to launch to investors in February 2017 (through a product disclosure statement to be issued by CPFL). It is anticipated the property settlement will occur in mid-April 2017.



Head of Unlisted Property Funds, Jason Huljich said “The acquisition builds on Centuria’s stated objective of growing Group FUM by 25% during FY17. Together with the settlement of The Zenith in July 2016, Centuria has grown Group FUM by approximately 20% to date, and the Scarborough House purchase will bring total unlisted property funds under management to \$1.143 billion (\$1.405 billion post the 360 Capital platform acquisition).”

“We are reviewing several further acquisition opportunities and with the continued, unprecedented investor demand our network is experiencing our team is working hard to vet and refine these opportunities for a series of new funds in calendar 2017.”

- Ends -

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About Us

Centuria Capital “CNI” is an ASX-listed specialist investment manager with \$2.2 billion in funds under management. We offer a range of investment opportunities including listed and unlisted property 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.

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