

# ASX Announcement

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23 June 2022

## Development Showcase management presentations and tours

Vicinity Centres ('Vicinity', ASX:VCX) is hosting a Development Showcase management presentation followed by Melbourne asset tours today and Sydney asset tours tomorrow.

The management presentations will be webcast today from 9.30am (AEST), concluding at 12.00pm (AEST), and a copy of the presentation is attached. To register and access the live webcast of the presentation, please click [here](#). The webcast will be available [here](#) for replay shortly after the live event.

Grant Kelley, CEO and Managing Director, has authorised that this document be given to ASX.

### For further information please contact:

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### About Vicinity Centres

Vicinity Centres (Vicinity or the Group) is one of Australia's leading retail property groups with a fully integrated asset management platform, and \$23 billion in retail assets under management across 60 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 59 shopping centres (including the DFO Brisbane business) and manages 29 assets on behalf of Strategic Partners, 28 of which are co-owned by the Group. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has 28,000 securityholders. Vicinity also has European medium term notes listed on the ASX under the code 'VCD'. For more information visit [vicinity.com.au](http://vicinity.com.au) or use your smartphone to scan this QR code.

### Vicinity Centres

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ABN 88 149 781 322  
As responsible entity for:  
Vicinity Centres Trust ARSN 104 931 928



# Development Showcase

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23-24 JUNE 2022



# Acknowledgement of Country

Vicinity acknowledges the Traditional Custodians of Country throughout Australia and their connections to the land, sea and community. We pay our respects to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander people with us today.





# Introduction





# Vicinity Centres: A leading Australian retail property group

A unique Australian retail-led portfolio well positioned to grow securityholder value from the creation of new mixed-use precincts



\$2.9b

Retail and mixed-use  
development pipeline



7,000+

Local, national and  
international retailers



340m+

Customer visits  
(FY21)



\$8.0b

Market capitalisation  
(JUN-22)



\$23.4b

Assets under management



98.2%

Occupancy



4.6 Stars

NABERS Energy rating



A/stable

Credit rating



A2/stable

Credit rating

All figures as at 31 December 2021, unless otherwise stated.

# Strategic focus

Delivering long-term sustainable growth from our portfolio of market-leading, retail-led destinations



QueensPlaza, QLD

Vicinity Centres **Development Showcase** 23-24 June 2022

## A LEADING AUSTRALIAN RETAIL PROPERTY GROUP

Diverse and high quality portfolio of assets spanning the retail spectrum

Partner of choice for retailers with growth ambitions

Significant mixed-use development opportunities; strengthening the retail value proposition

Investing in physical, data and digital assets to drive innovation and facilitate omni-channel retailing

Strong and flexible balance sheet with focus on growing with third party capital partners

Focus on maintaining investment-grade credit metrics and disciplined approach to distributions

Globally recognised sustainability program





# Sustainability strategy

Creating sustainable destinations that shape better communities, while providing long-term value for securityholders



## THREE PILLARS OF SUSTAINABILITY STRATEGY

### Community significance

- Partnerships and community investments
- Programs supporting youth engagement and employment
- Reconciliation Action Plan

### Low carbon smart assets

- Net Zero carbon emissions by 2030<sup>1</sup>
- Pathway to Net Zero includes:
  - Innovative technologies to improve energy efficiency
  - Increasing onsite renewable energy
  - Automation to generate superior asset performance

### Climate resilience

- Assessing Climate Risks and Opportunities
  - Analysis of physical climate risks with risk assessments for specific sites
- Managing risks via Vicinity's Climate Resilience Implementation Plan
  - Asset Strategy – initiatives to enhance resilience of capital projects
  - Developments – integrating climate risk into design process
  - Operations – education and engagement with operations teams
  - Capital upgrades – such as air conditioning and onsite solar

For more information visit: [vicinity.com.au](https://vicinity.com.au).

1. For wholly-owned retail assets. Consistent with GHG Protocol, this applies to common mall areas.

Sustainability Strategy refresh in 2022

# Development Showcase agenda



## DAY ONE – THURSDAY 23 JUNE

9.30am-12.00pm	Presentations and webcast
12.15-1.15pm	Tour – Chadstone
2.00-2.45pm	Tour – Box Hill Central
3.15-4.00pm	Tour – Victoria Gardens Shopping Centre
4.45pm	Return to Chadstone
5.30-8.30pm	Refreshments and dinner

## DAY TWO – FRIDAY 24 JUNE

10.00-11.15am	Tour – Bankstown Central
12.30-1.30pm	Tour – Chatswood Chase Sydney
2.15pm	Queen Victoria Building drop off
3.15pm	Sydney Airport drop off



Queen Victoria Building, NSW





# Development pipeline mix and hurdle rates

Weighted to mixed-use development with focus on smaller retail projects in the near term



Chadstone, VIC – Tower One and Hotel Chadstone

Vicinity Centres **Development Showcase** 23-24 June 2022

## \$2.9B DEVELOPMENT PIPELINE

84% of the pipeline is centred around six key assets

73% of spend is mixed-use developments – delivering value in their own right, but also creating a halo effect for the retail sites

Mixed-use weighted towards office and residential

Larger retail projects weighted to Chadstone and Chatswood Chase Sydney

**Expected spend of ~\$200-\$250m (FY23) and ~\$300-\$400m p.a. (avg) over medium term (Vicinity share, post capital partnering)**

## INDICATIVE PROJECT TARGET RETURNS

	Target yield <sup>1</sup>	Target IRR <sup>2</sup>
Retail	5%-6%+	8%-10%+
Office	5%-6%+	8%-10%+
Residential (BTR)	4.5%-5%+	7.5%-9%+

Note: investment hurdles may be adjusted depending on size and risk of individual projects.

1. Stabilised yield (unlevered).

2. Incremental internal rate of return (unlevered).



# ~\$2.9b development pipeline to deliver long-term growth

85% of five-year pipeline is concentrated on six key assets

Asset	Project	Status	Est. cost (\$m) <sup>1</sup>	% of total pipeline <sup>2</sup>	FY22	FY23	FY24	FY25	FY26	FY27
<b>Chadstone</b>	Retail – Dining and Entertainment	In delivery	34	~10%						
	Office – Chadstone Place	In delivery	21							
	Retail – Fresh Food and Dining	Detailed design	130							
	Office – One Middle Road	Concept	75							
<b>Victoria Gardens Shopping Centre</b>	Retail and Residential – Stage 1	Concept	140-150	~5%						
<b>Box Hill Central</b>	Retail – Coles Mall	In delivery	46	~29%						
	Office – Hub Co-Working	In delivery	31							
	Residential – Tower 1	Concept	300-315 <sup>3</sup>							
	Office – Tower 1	Concept	450-470 <sup>3</sup>							
<b>Chatswood Chase Sydney</b>	Retail – Fresh Food and Dining	Detailed design	25	~10%						
	Retail – Major Redevelopment (incl Office)	Detailed design	260-270							
<b>Bankstown Central</b>	Retail – Fresh Food and Mini Majors	In delivery	31	~5%						
	Office – Bankstown Exchange	Concept	120-130							
<b>Buranda Village</b>	Retail and Residential precinct	Concept	435-450 <sup>3</sup>	~26%						
	Office – Commercial precinct	Concept	310 <sup>3</sup>							
<b>Other (six assets)</b>	Various	Various	450	~15%	Various					

1. Based on VCX ownership. Costs are latest internal estimates as at June 2022.

2. By percentage of total VCX share.

3. 100% owned asset. Capital partnering options under review.





CHADSTONE



VICTORIA GARDENS SHOPPING CENTRE



BOX HILL CENTRAL



CHATSWOOD CHASE SYDNEY



BANKSTOWN CENTRAL



Artist's impressions

BURANDA VILLAGE



# Presenters



**GRANT KELLEY**

CEO and Managing Director



**PETER HUDDLE**

Chief Operating Officer



**CAROLYN VINEY**

Chief Development Officer



**DAVID WALDREN**

National Head of Design



**JOSEF SEIDLER**

Regional General Manager  
Development



**TRUMAN DARE**

General Manager –  
Mixed-use Development



**MARK KELLEY**

Regional General Manager  
Development



**CORRINE BARCHANOWICZ**

Head of Brand Marketing and  
Experience (Premium)







# Growth outlook for Australia's major cities

# Australia set to continue to grow

~27% population growth over next 20 years with Melbourne and Sydney's 'middle ring' suburbs accommodating more growth than the past



## POPULATION TO INCREASE BY 7M, +27%, OVER NEXT 20 YEARS

Australia is set to become one of the most culturally diverse countries in the world

Overseas migration to comprise 60% of population growth

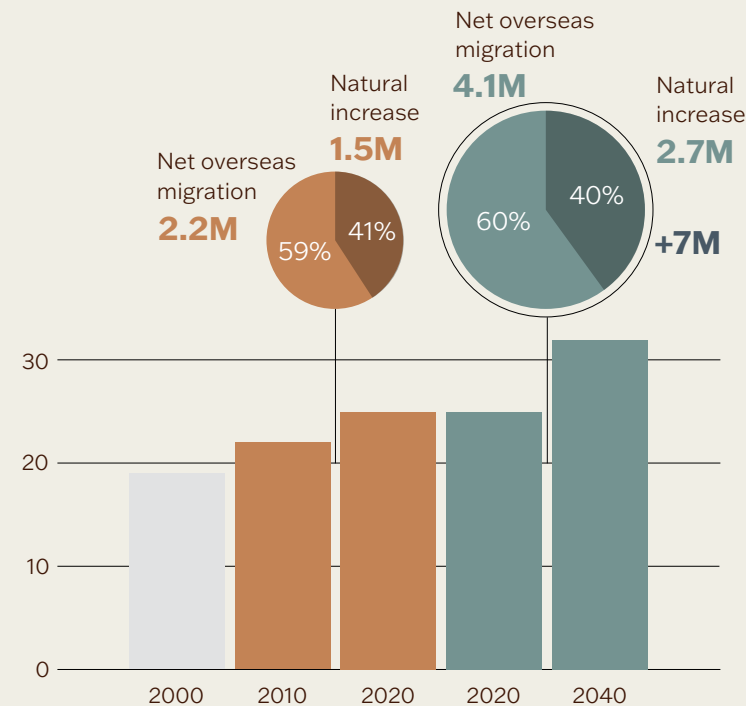
- Helping to offset the aging population and drive economic growth

Middle ring suburbs to attract a higher share of population growth

- Driven by major investment in public transport and access to quality amenity

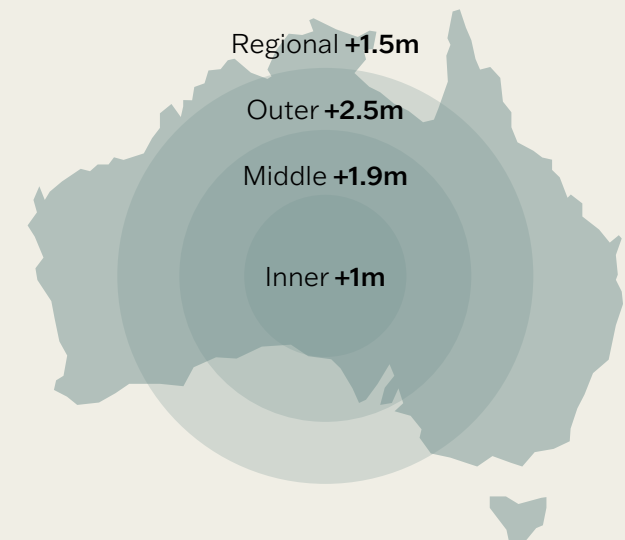
Source: Urbis, 'Future of Shopping Centres' (2021).

## Historic and forecast estimated resident population



## Geographic distribution of growth 2020-2040

	Regional	Outer	Middle	Inner
2010-20	17%	25%	37%	21%
2020-40	16%	27%	35%	22%







# Victorian Government's 'Plan Melbourne' policy

Victorian Government's 'playbook' to accommodate Victoria's growth

## MELBOURNE'S GROWTH STORY

- 3.0m more people (+60%) to 2050
- 1.6m new homes
- 1.5m new jobs and changing workforce
- 10m more trips per day
- More schools, hospitals, parks, recreational and cultural facilities
- Protect liveability and sense of community

## PLAN MELBOURNE KEY PRINCIPLES

- A distinctive Melbourne
- A globally connected and competitive city
- A city of centres linked to regional Victoria
- Living locally – 20-minute neighbourhoods
- Social and economic participation
- Infrastructure investment that supports balanced growth

Source: Plan Melbourne 2017-2050 Department of Environment, Land, Water & Planning (2017).



# Vicinity's assets are well positioned to take advantage of Melbourne's growth

## 'PLAN MELBOURNE' OUTLINES SIX NATIONAL EMPLOYMENT AND INNOVATION CLUSTERS (NEIC)

Five Vicinity assets within, or in close proximity to, a NEIC:

- La Trobe NEIC: Northland
- Monash NEIC: Chadstone, Oakleigh Central, The Glen
- Sunshine NEIC: Sunshine Marketplace

Two additional assets are within a Metropolitan Activity Centre (MAC):

- Bayside, Box Hill Central

The Suburban Rail Loop (SRL) will significantly enhance the connectivity of multiple Vicinity assets, with four centres to enjoy new SRL stations within walking distance:

- Box Hill Central
- Broadmeadows Central
- Sunshine Marketplace
- The Glen

Enhanced housing demand and economic growth in these areas

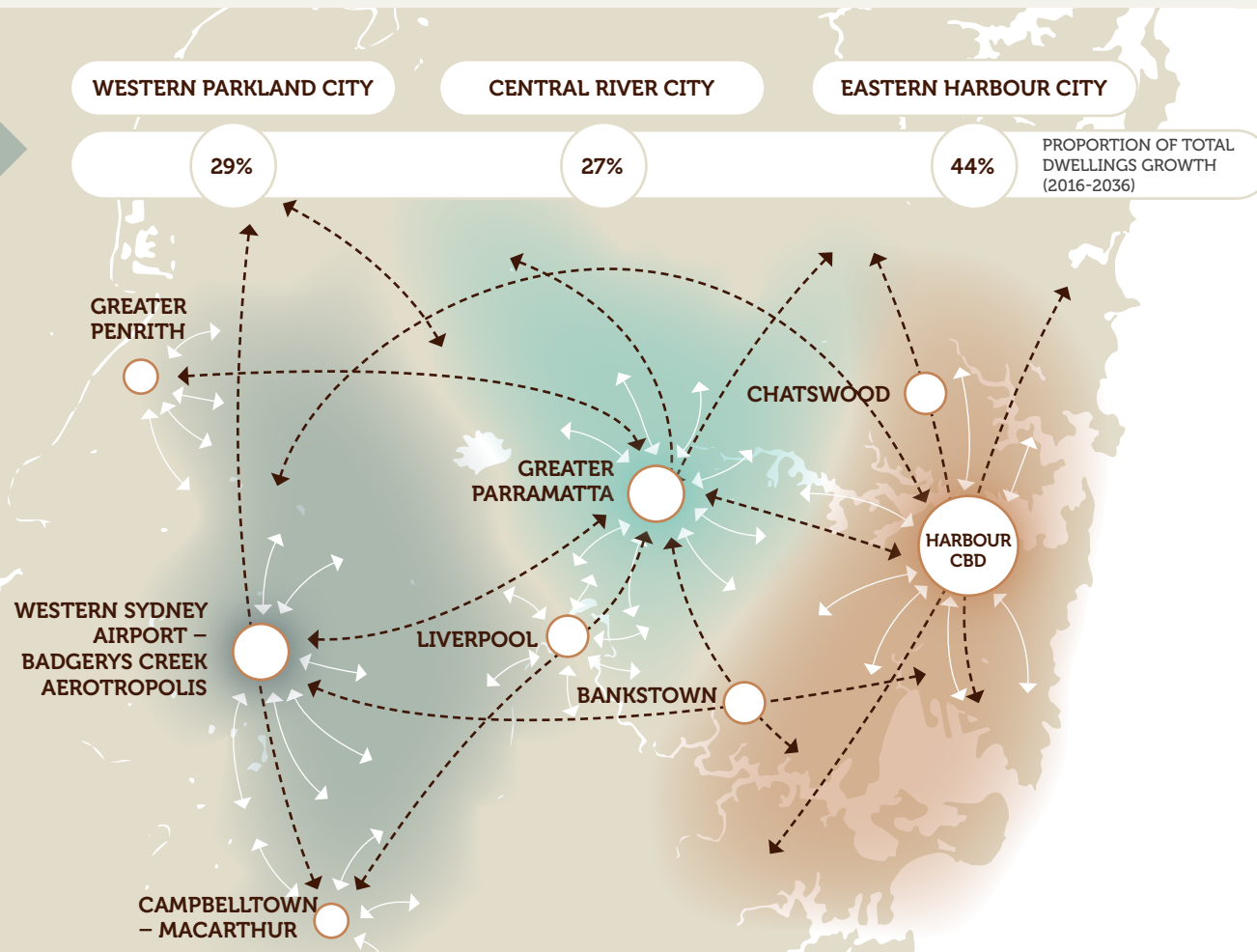
Represents new retail demand and significant mixed-use development opportunity







# Chatswood and Bankstown to be major beneficiaries of New South Wales' 'Greater Sydney Regional Plan'



Key Vicinity assets well positioned to take advantage of New South Wales Government's planning policy

Like Melbourne, Sydney's growth will be centred around key strategic locations

## Rebalancing the city into a metropolis of three connected cities

- 'Western Parkland City' west of the M7
- 'Central River City' with Greater Parramatta at its heart
- 'Eastern Harbour City' focused around the Sydney CBD and coastal areas

## Fundamental principals of the three cities

- A city supported by new infrastructure: Increased access to metropolitan centres/ clusters within 30 minutes
- A well connected city: Developing a more accessible and walkable city
- Jobs and skills for the city: Increased employment in strategic centres

Sydney Metro rail is a key piece of infrastructure connecting north west suburbs/Chatswood/CBD/Bankstown

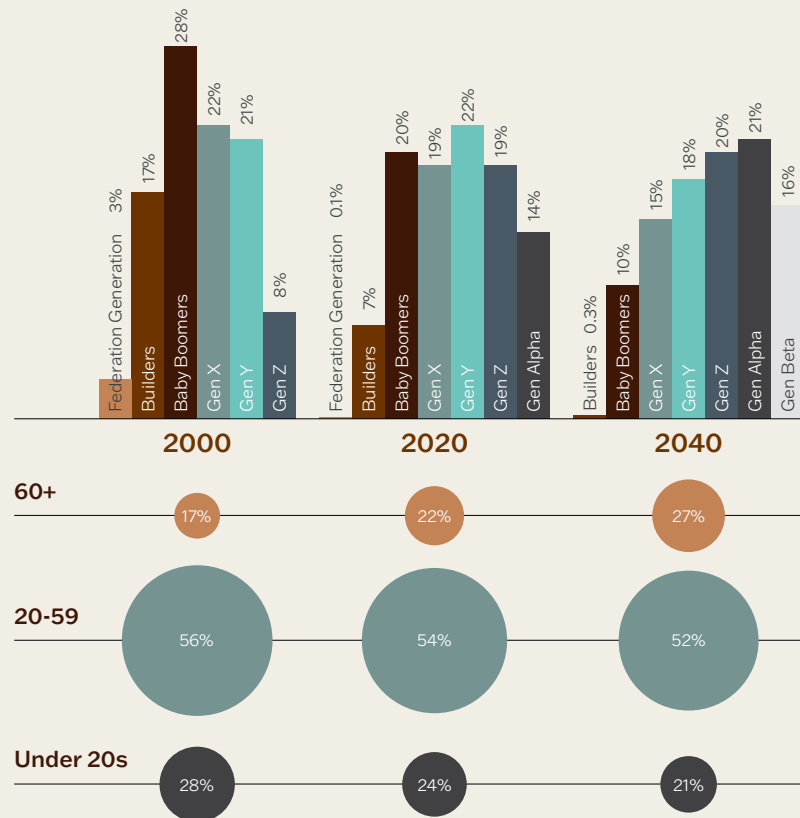
Source: Greater Sydney Commission – Greater Sydney Region Plan: A Metropolis of Three Cities.



# Australia's changing demographics and consumer spending patterns

An opportunity for shopping centre precincts to incorporate new, non-traditional retail uses

## CHANGES TO AUSTRALIAN DEMOGRAPHICS



## CHANGES TO AUSTRALIAN CONSUMER SPENDING PATTERNS

### EXPERIENTIAL

Consumer mindset is shifting focus from materialistic to more experiential values

*"Physical retail is forecasted to account for ~83% of spending growth [in 2020-30]" (Urbis 2022)*

### HEALTH AND WELLBEING

A growing trend pre-dating the pandemic, from eating fresh to personal self-improvement

*"The most important areas of life today are quality time with loved ones and staying healthy" (Dynata 2022)*

*"73% of people now consider 'wellness' an essential element of any brand's strategy" (Accenture 2022)*

### ABILITY TO STAY LOCAL

Increased desire to live and work closer to home in their local areas and neighbourhoods

*63% of employees prefer a hybrid model vs. working from the office or home exclusively (JLL 2021)*

### SUSTAINABILITY

Shifting from a niche to a key purchase driver

*"Global consumer survey shows more than half value sustainability" (PwC 2021)*

### CONVENIENCE AND DIGITISATION

Technology and omni channel are driving consumers to expect a high level of convenience in all parts of their lives

Source: Urbis, 'Future of Shopping Centres' (2021).





# Why mixed-use?

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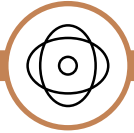
The Glen, VIC

18



# Vicinity's existing landholdings are well positioned for future growth

We have the assets, the expertise and the financial stewardship to create world class precincts in a changing context



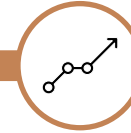
## Vicinity strongly positioned to create world class precincts

- Strategic assets in key locations with significant opportunity for retail and mixed-use development
- Management focused on an initial list of six priority assets which unlock significant value for securityholders
- Deep in-house development, leasing and property management experience ensures Vicinity realises maximum potential of each project
- Significantly more opportunity exists beyond the six priority assets, with a total of 12 retail centres having been masterplanned



## Government focus on supporting population growth

- Australia's population expected to grow ~27% over next 20 years
- Governments are focused on how best to accommodate growth within metropolitan cities
- City planning is moving from single CBD model to suburban polycentric cities
- Changing demographics driving design and amenity expectations



## Vicinity's assets in locations primed for investment and growth

- Using existing landholdings to create new mixed-use precincts without the need to acquire additional land
- Mixed-use assets diversify Vicinity's income streams through cycles
- Halo effect of mixed-use and retail assets drives mutual growth across the retail and commercial precincts
- Leveraging mixed-use opportunities to deepen existing JV partnerships and to attract new capital partners



## Rigorous approach to managing and mitigating execution risks to protect investment returns

- Project pipeline is aligned with planning policies positioning Vicinity favourably when seeking development approvals
- Existing land ownership provides flexibility to phase projects to minimise risk and maximise returns over time
- Stringent governance processes to manage capital allocation
- Third party capital partnering to enhance risk-adjusted returns and maintain conservative balance sheet position





# Retail-led mixed-use development

A range of uses co-located on the one site generates increased visitation and more income from the same land area

## BENEFITS TO THE EXISTING RETAIL ASSET

- Brings new visitors to the retail asset and grows footfall
- Underpins a 24/7 economy and increases the value and returns of the asset
- Reduces exposure to impacts of e-commerce

## BENEFITS TO MIXED-USE ASSETS

- Often good road access and transport links
- Leverage broad range of amenity at doorstep
- Businesses located at quality retail hubs more attractive than other metropolitan locations

## BENEFITS OF DEVELOPING MIXED-USE ON RETAIL SITE

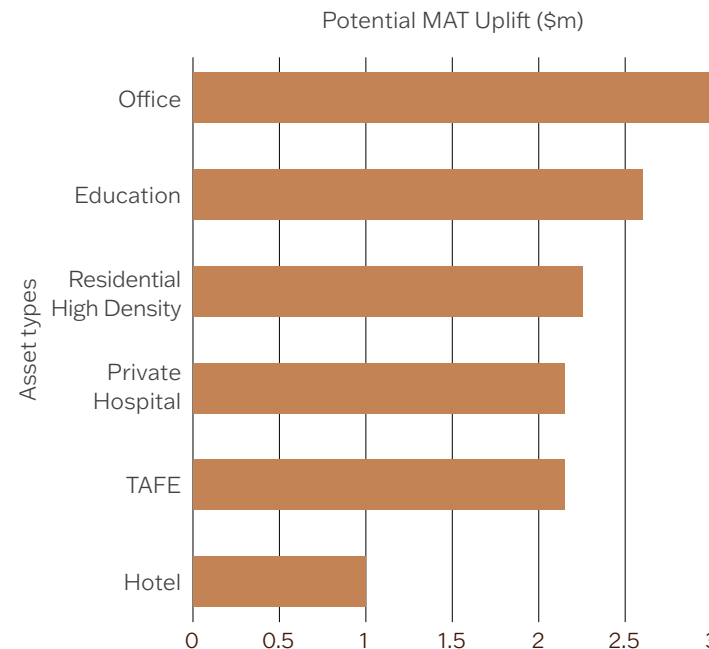
- Derives additional value and income streams
- Creates competitive advantage through delivery of unique urban places and broader range of activities

Halo effect drives stronger performance of both the retail and mixed-use sites

1. Moving Annual Turnover.  
Source: CBRE Retail Therapy: Shopping for Resilience in Retail Property (2020).

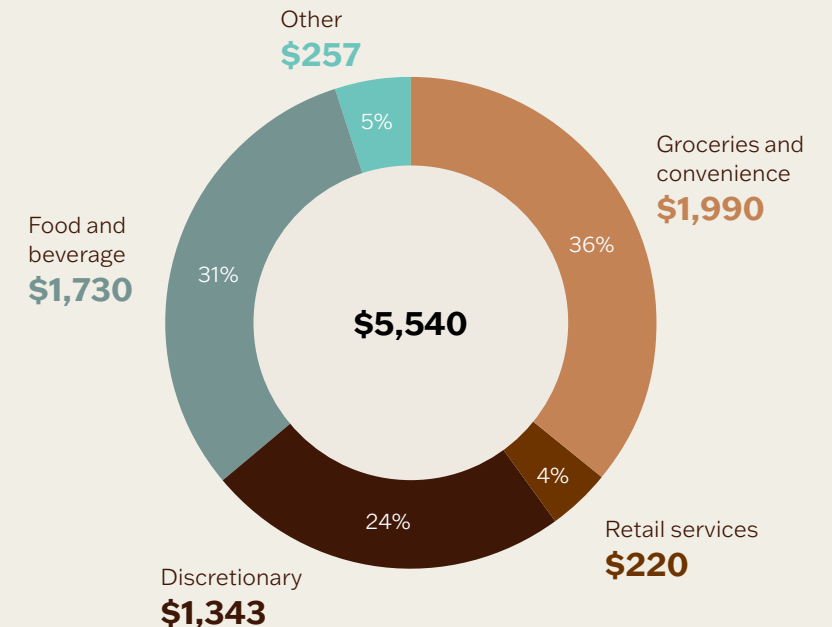
## ESTIMATED MAT<sup>1</sup> UPLIFT FROM MIXED-USE

Per 10,000 sqm of non-retail use



## CASE STUDY – CHADSTONE OFFICE WORKER SPEND IN-CENTRE

Annual additional spend



Groceries and convenience, and food and beverage are primary spend categories

Source: Urbis Chadstone Office Worker Survey (2017).



# Chadstone





# Chadstone continues to evolve over time

Since the last major redevelopment in 2016 more than 10 other projects have originated

## RECENT COMPLETIONS

- 2016 International mini majors and mainstream retail expansion under iconic gridshell roof
- 2016 Tower One commercial office building
- 2017 Luxury Mall Expansion – Featuring first to Australia luxury tenant brands Celine, Saint Laurent, Loewe and Moncler
- 2018 Victoria's Secret Flagship, Dining Atrium and Youth Fashion Precinct
- 2018 West Piazza Development – Calia and Yu Kitchen along with Visitor Lounge and Valet Parking; and Industry Beans in 2021
- 2019 Hotel Chadstone + The Link – 250 rooms catering to intrastate and interstate visitors and international tourists; function facilities for large scale conferences and events
- 2021 Carpark A (David Jones) Expansion – 850 additional car parking spaces and rooftop solar panels

## PROJECTS UNDERWAY

- 2022 Dining and Entertainment Terrace –  
/2023 six new entertainment and dining tenancies totalling ~6,000 sqm
- 2023 Chadstone Place – Officeworks secured as tenant on long-term lease

## IMMINENT COMMENCEMENTS

(In next 12 months)

- \$260m<sup>1</sup>  
Fresh Food and Dining expansion
- \$150m<sup>1</sup>  
One Middle Road Office tower
- \$40m<sup>1</sup>  
Carpark C Expansion

1. 100% interest. Vicinity's share is 50%.



Car Park A art facade



# Dining and Entertainment Terrace

Introducing best-of-class and new-to-market dining and entertainment offer

- Expansion of the existing Entertainment and Leisure Precinct (ELP) on the city side of the centre
- 100% leased
- Reflects high demand for these uses at the centre and sales performance of existing ELP retailers
- CBD quality and scale venues catering for the south east of Melbourne
- Eight new entertainment and hospitality tenants arranged in a 'wintergarden'
- Melbourne CBD views and sunset vista
- Construction works underway
- Targeting a late 2022/early 2023 opening



1. 100% interest. Vicinity's share is 50%.



Cost  
\$68m<sup>1</sup>

Yield  
>6%

IRR  
>12%

Artist's impression





# Dining and Entertainment Terrace

Fully leased with strong dining and entertainment mix



**BOWLING & ARCADE**  
TOTAL AREA – 2,299 SQM (OVER TWO LEVELS)

**BREWERY**  
TOTAL AREA – 375 SQM

**ICONIC RESTAURANT**  
TOTAL AREA – 696 SQM  
(OVER TWO LEVELS)

**ICONIC RESTAURANT/EVENTS**  
TOTAL AREA – 1,254 SQM  
(INCL. A ROOF LEVEL)

**EXPERIENCE ROOMS**  
TOTAL AREA – 654 SQM

**MINI-GOLF**  
TOTAL AREA – 664 SQM

Artist's impression





# Fresh Food and Dining project

New European-style fresh food market hall and alfresco dining precinct

Project comprises new elevated fresh food offer in a 'high end' market style environment

Town planning approval obtained in 2020

Detailed project planning and construction tender completed

Majors and other pre-leasing activity underway and tracking positively

Featuring:

- Select artisan/providore food retailers from Melbourne's best 'High Street' food precincts
- Refreshed and expanded outdoor dining precinct
- Childcare facility
- Vaulted feature ceilings

Targeting project approval in August 2022 with construction commencing later in the year

1. 100% interest. Vicinity's share is 50%.



Cost  
\$260m<sup>1</sup>

Yield  
>5%

IRR  
>12%

Artist's impression



# Fresh Food and Dining project

Grand marketplace with fresh and artisan food offers, and contemporary open-air dining





# Fully integrated Fresh Food, Dining and One Middle Road tower

Direct integration drives halo effect strengthening retail sales and increasing attractiveness of office tower

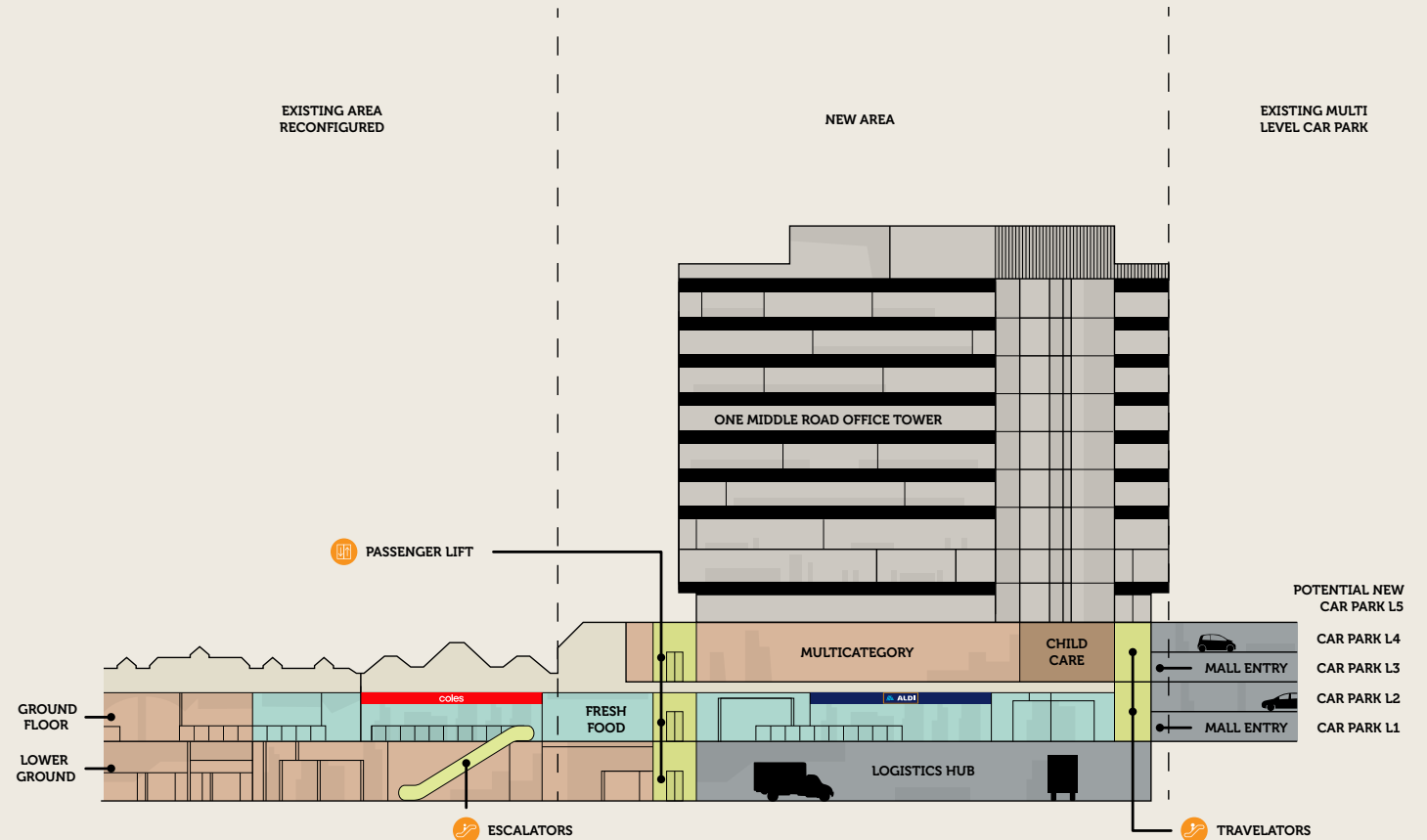
## Seamless integration between usages

- 9-level office tower
- Level 1 multi-category services including childcare, medical and wellness facilities
- Ground level integrated with retail centre
- Lower ground logistics hub servicing retail and office

## Onsite office workers have strong engagement with retail precinct enhanced by all weather access

- Onsite office: retail visitation ~7 times per week
- Nearby office: retail visitation ~4 times per week

## Strong onsite retail and services offer enhances the attractiveness of the office space







# Chadstone Place Office redevelopment

100% leased to Officeworks

One of four existing office buildings at Chadstone

Officeworks (part of ASX-listed Wesfarmers group) secured to lease the whole building – 8,000 sqm

- Full building refurbishment plus ~1,000 sqm of additional NLA

Long-term lease

High sustainability credentials

- 5 Star Green Star, Net Zero Carbon and 5.5 Star NABERS Energy and 4 Star NABERS Water ratings

Construction works underway, Officeworks moving in mid 2023



1. 100% interest. Vicinity's share is 50%.



	Cost \$42m <sup>1</sup>
	Yield >5%
	IRR >8%





# Chadstone Place Office redevelopment

Modern revitalised contemporary offer with high sustainability performance



Artist's impression





# One Middle Road Office tower

Chadstone's next major office tower with tenant leasing significantly advanced

New ~20,000 sqm A-grade office building directly integrated with the fresh food and dining development

2,250 sqm campus-style floor plates over nine levels

Sustainability focused design:

- 5.5 Star Green Star rating
- 5.5 Star NABERS Energy rating
- Climate Active Zero Energy certification

Featuring:

- Outdoor sky garden
- Business lounge
- First class end of trip facilities

Leasing deals under negotiation for over 50% of total space

Targeting project approval in August 2022 with construction commencing in late 2022

Building completion due Q3 CY24

1. 100% interest. Vicinity's share is 50%.



Cost  
\$150m<sup>1</sup>



Yield  
>7%



IRR  
>12%

Artist's impression





# Chadstone Place and One Middle Road office towers

New and significantly enhanced precinct entry to be built



Artist's impression



# One Middle Road Office tower

CBD quality amenity including communal meeting and sky garden space



Artist's impressions



# Chadstone is an important part of growing South Eastern Economic Corridor

Significant potential for future opportunities at Chadstone



South Eastern Economic Corridor is the largest area of employment opportunities outside the CBD

Within the corridor, public and private investment in the Holmesglen-Chadstone precinct is driving jobs and economic growth

This precinct outperforms comparable Metropolitan Activity Centres (e.g. Fountain Gate, Dandenong, Sunshine)

Source: ABS 2016 Census and tourism accommodation (2016) and Chadstone international visitor survey (2019).





## Chadstone's future growth further enabled by potential Trackless Rapid Transit connectivity

Proposed new public transport connectivity linking Chadstone to the CBD towards the west and Rowville towards the east

The Victorian Government and the Federal Government support the proposal and funding is committed towards a \$6m business case to investigate the development of a rapid transport service

Victorian Government is ready to commence business case work with Federal Government investment

The Federal Government has previously committed \$475m for public transport funding to this part of South East Melbourne







Artist's impression









# Summary and Questions





# Victoria Gardens Shopping Centre

Vicinity Centres **Development Showcase** 23-24 June 2022

Artist's impression – Masterplan





# Victoria Gardens Shopping Centre

An affluent sought-after location close to Melbourne CBD dominated by 'Metrotechs'<sup>1</sup>

Only 3.5km from the Melbourne CBD

Attractive demographics

- Median household income of \$114,000 (Melbourne: \$84,100)
- Median age of 32 years (Melbourne: 37 years)
- 52% are renters (Melbourne: 29%)

Higher affluence, desiring aspirational amenity

Centre transformation to be more outward facing, engaging the high density community

Trade area dominated by Metrotechs

- Ideal customers for Build-to-Rent residential and elevated retail offer
- Metrotech ratio: 94% (Melbourne: 18%)

1. Metrotech – Socially aware, successful, career focused and culturally diverse, Metrotechs are trend and tech focused. They are committed experience seekers, willing to spend big on the best of city life and thrive on being out and about in the world. Sources: ABS Census data (2016) and Roy Morgan (2018/2019).







# Residential Apartments with Food Market Hall and Laneway Dining

Street front with new laneways, dining, food market hall and services plus office suites and over 430 apartments above



Artist's impression





# Residential Apartments with Food Market Hall and Laneway Dining

Large scale expansion of retail centre and residential apartments project

## MULTI-STAGE RETAIL AND MIXED-USE DEVELOPMENT

### Stage 1

5,600 sqm of new retail area

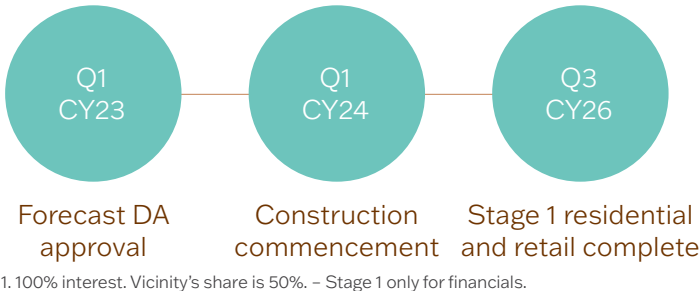
'Market Hall' fresh food offer to reflect consumer affluence in the trade area

~430 apartments and ~350 car parking spaces

Concept design completed

Town planning approval expected early 2023

Build-to-Rent product preferred – business case under development



Cost  
\$280-\$300m<sup>1</sup>



Artist's impression





# Food Market Hall design

Elevated retail offer to match consumer affluence

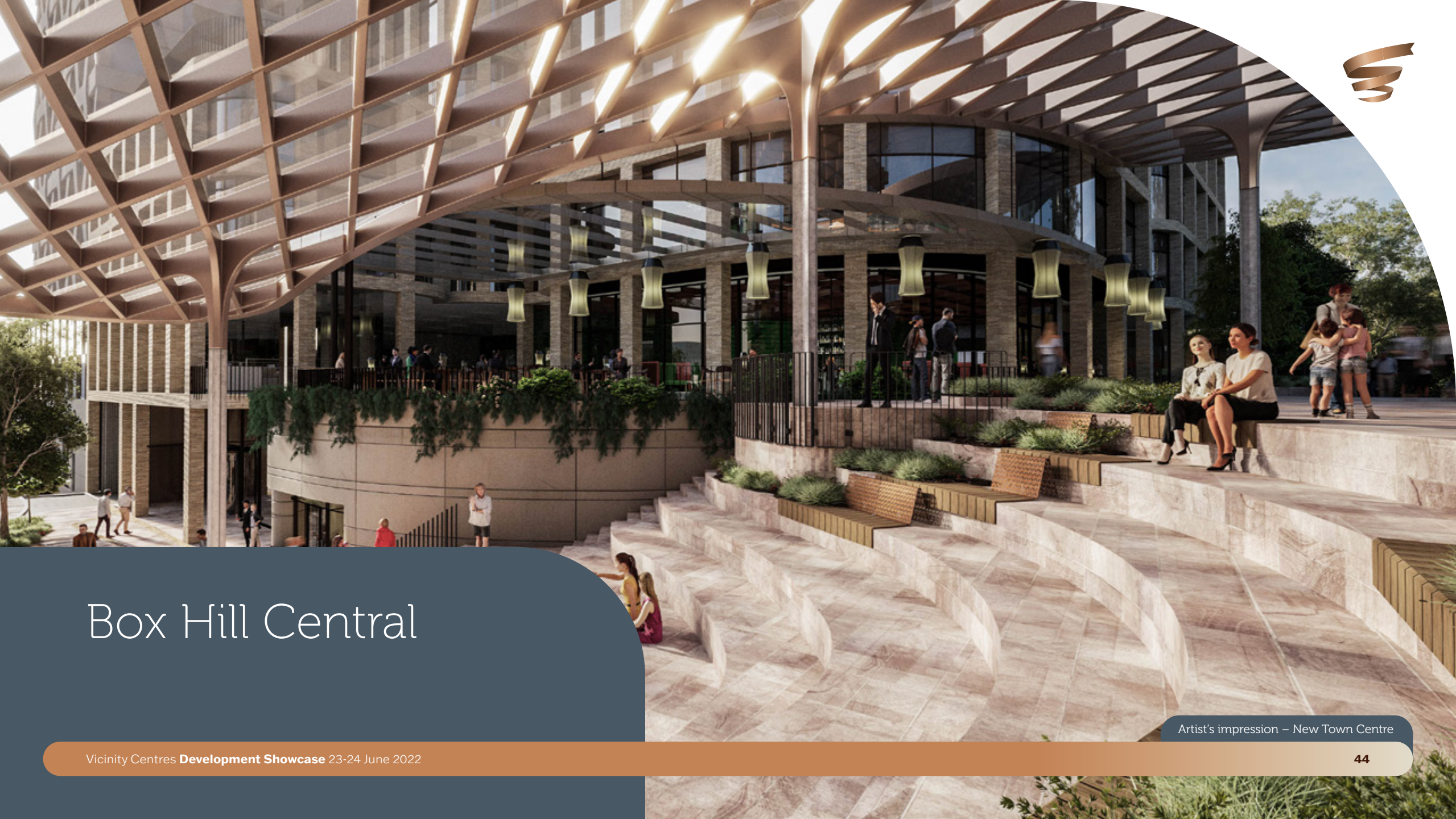






# Summary and Questions





# Box Hill Central

Artist's impression – New Town Centre



# Box Hill growth above Melbourne average, to be enhanced further by future Suburban Rail Loop

One of Melbourne's fastest growing suburbs enabled by transport connectivity and proximity to health and education infrastructure

## POPULATION GROWTH OUTPACING MELBOURNE AVERAGE (2018 TO 2033)

Box Hill forecast to grow 3.1%-4.8% p.a. (Melbourne: 1.7%-2.2% p.a.)

## WHITE COLLAR, HIGH INCOME DEMOGRAPHIC

Household income is 7% above Melbourne average

83% employed in white collar jobs (Melbourne: 73%)

31% of households in high income bracket (\$130,000+) (Melbourne: 26%)

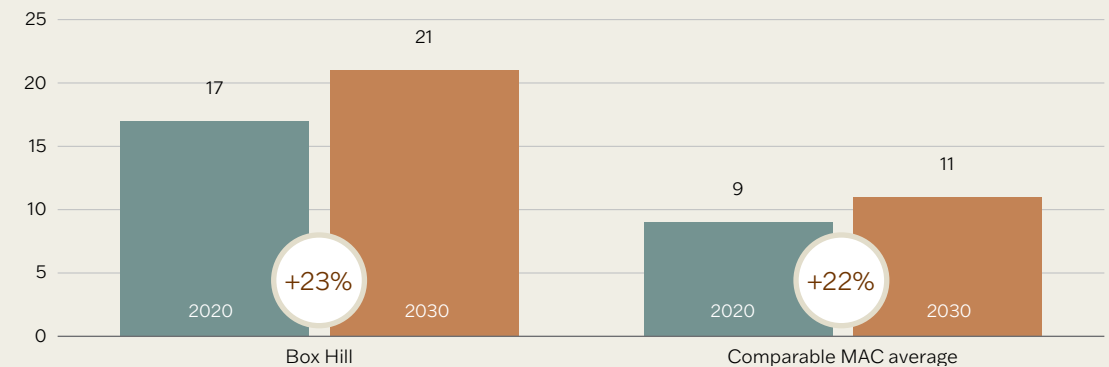
## FAMILY DOMINATED

Main Trade Area dominated by the 'Leading Lifestyles' (74%) – high income, highly educated and career-focused families – high level of retail spending (Melbourne: 29%)

Source and diagrams: Urbis, Box Hill Central Masterplan Assessment Final Report (Mar 2019).

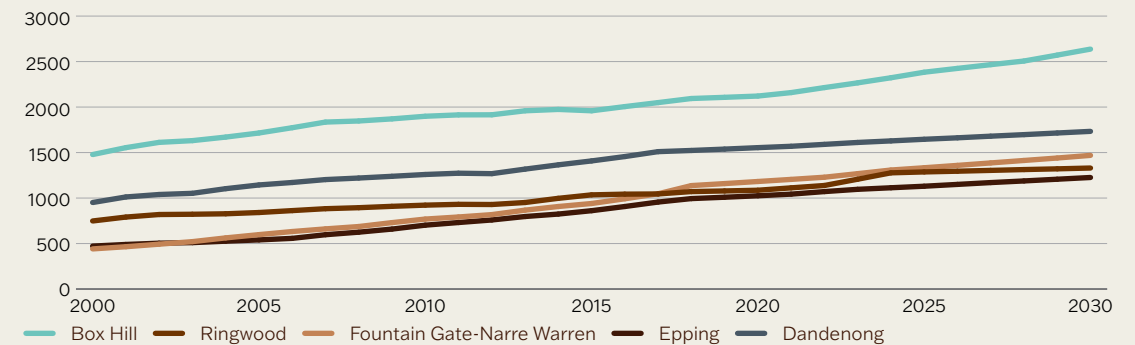
## Total Employment

Box Hill versus comparable Metropolitan Activity Centres (MAC) ('000s)



## Total Gross Value Added

Box Hill versus comparable MAC (\$m)



Source: Value Advisory Partners.





# Box Hill identified in Plan Melbourne as a key metropolitan activity centre

Vicinity's Box Hill Central is located on the major transport hub at the centre of this growing precinct

Major public transport hub  
(20 mins to CBD by train)

Major commercial precinct  
(18,300 workers)

Health and education precinct  
(15,000 students, 600+ hospital beds)

Major Government investment  
(SRL, North East link, Box Hill Hospital)

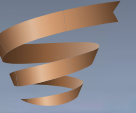
Large local population  
(225,000 within 5km of centre)

Popular shopping destination  
(22.5m Box Hill Central South visits per year<sup>1</sup>)

1. Foot traffic as of December 2019.  
Source and diagrams: Urbis, Box Hill Central  
Masterplan Assessment Final Report (Mar 2019).







Elgar Road

Vicinity's 5.5 hectares  
in the heart of Box Hill

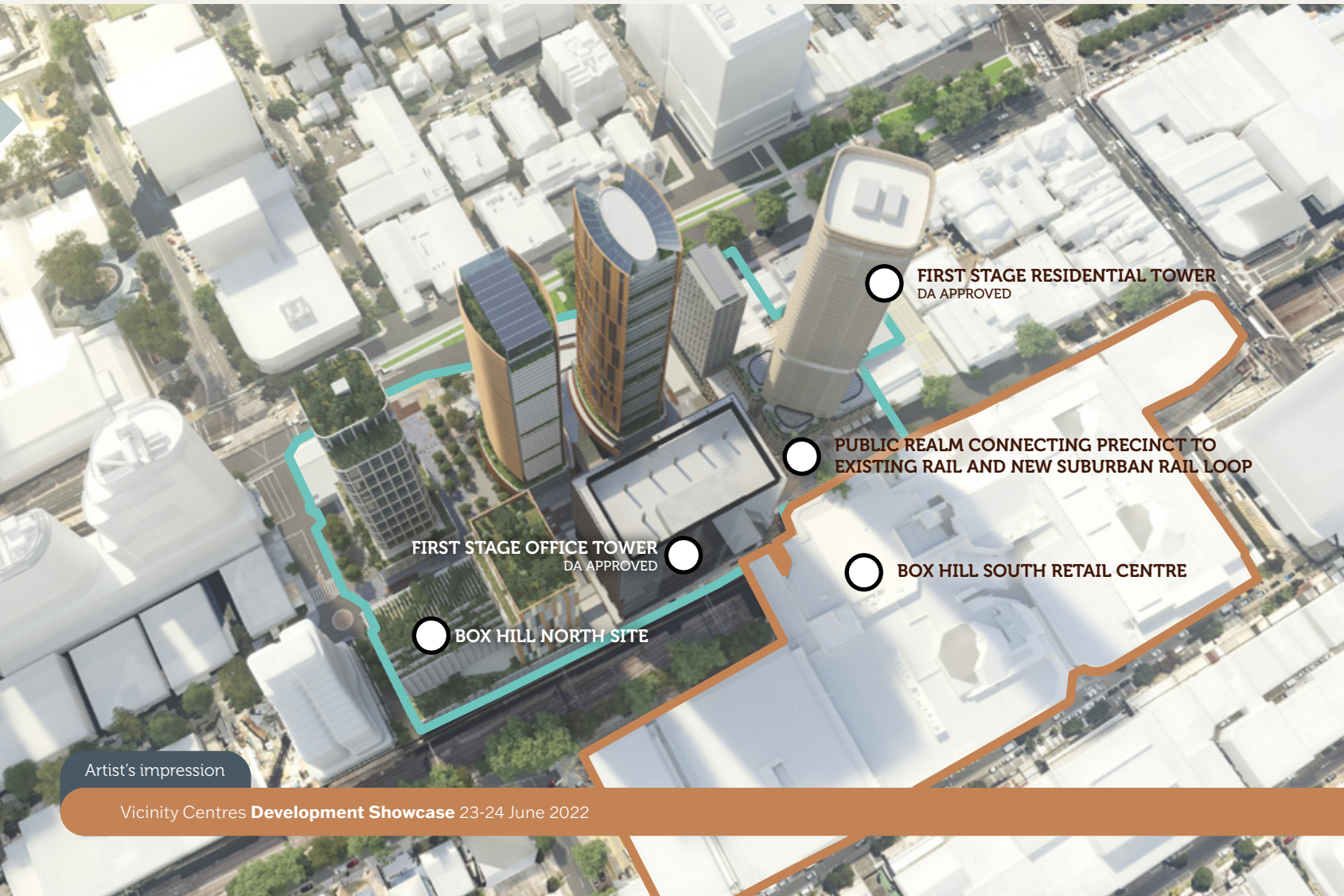
Station Street

Artist's impression





## Box Hill Central precinct – future development opportunities



Artist's impression

Vicinity Centres **Development Showcase** 23-24 June 2022

Retail uses being consolidated into Box Hill South, leveraging the fully integrated nature of the train station and bus interchange

Box Hill North site to be transformed into a modern mixed-use precinct with potential for residential, office, hotel and other commercial uses

First development approvals achieved:

- Office tower – 42,800 sqm
- Residential tower – 366 apartments and 7,000 sqm of office/retail space



# Box Hill Central North – Masterplan

First two towers have town planning approval



Whole of site concept masterplan developed

Masterplan lodged in Q2 CY20 and expect decision Q1 CY23

~280,000 sqm of developable area

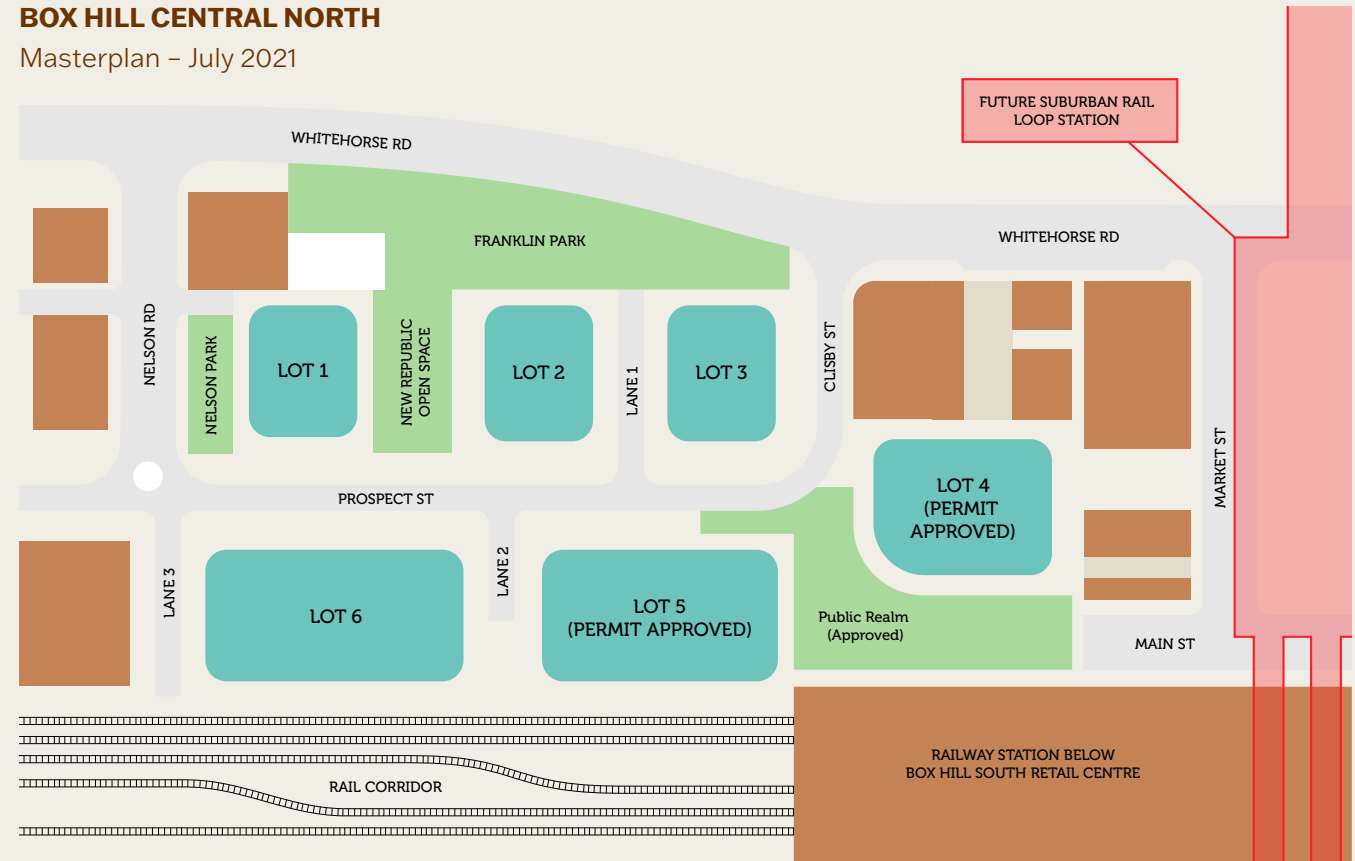
- Demolition of Box Hill North building
- High density development across six new mixed-use towers

Residential, office and potentially hotel uses considered viable

Mixed-use towers to be delivered in stages

## BOX HILL CENTRAL NORTH

Masterplan – July 2021







# Box Hill Central North – Stage 1 residential building

High quality residential development enhanced by location adjacent to shopping centre and major railway station

366 apartments  
Over 48 levels

7,000 sqm  
Of office/retail space in  
podium and ground level

~220  
Car parking spaces

High quality resident  
amenities  
Including pool, gym, bbq and  
function areas

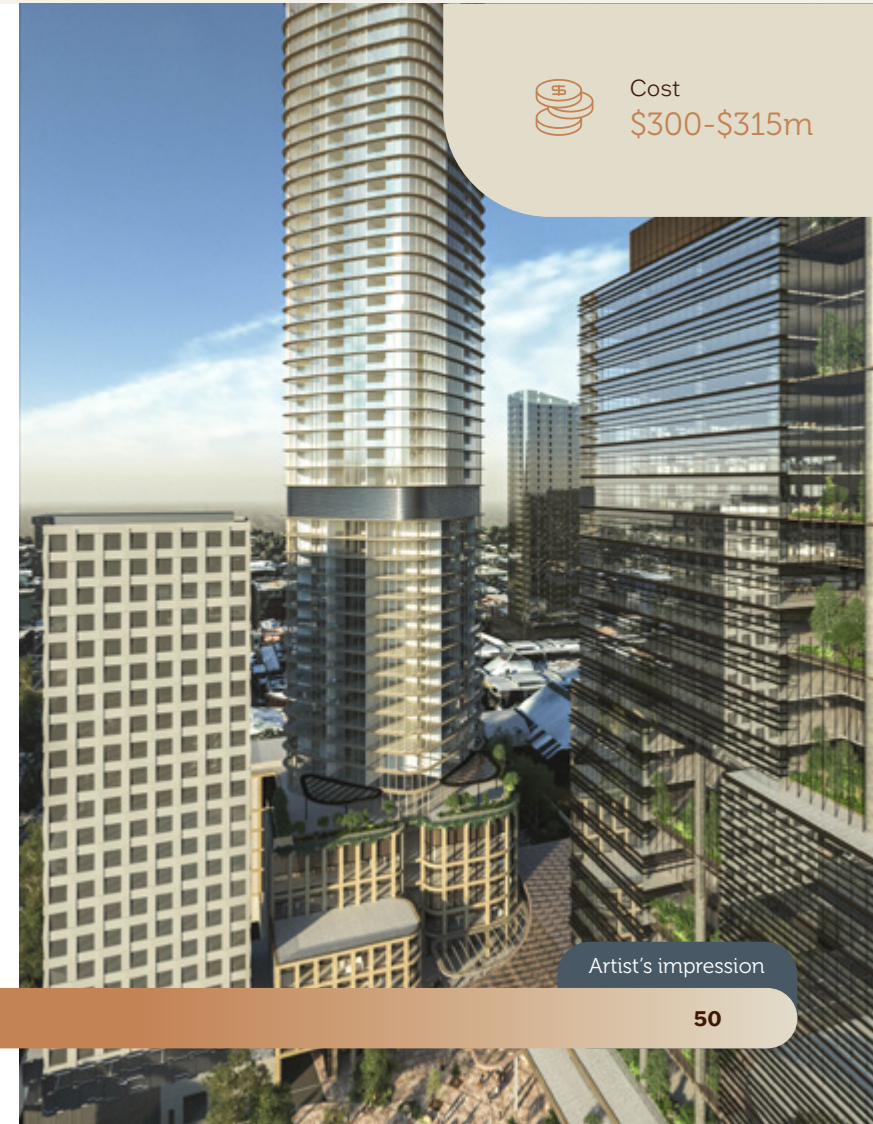
Town planning approval  
Obtained Q2 CY22

Strong opportunity for  
Build-to-Rent product  
Business case under  
development

32 months  
Estimated construction duration



Cost  
\$300-\$315m



Artist's impression



# Box Hill Central North – Stage 1 office building

High quality office tower adjacent to Box Hill station

~42,800 sqm  
A-grade office building

25 levels

1,900 sqm  
Floor plates

~200  
Car parks

5 Star Green Star  
And 5.5 Star NABERS Energy  
ratings

WELL Building  
Certification

Includes wellness and  
amenity level  
With outdoor terrace space

Town planning approval  
Obtained Q2 CY22

Currently seeking tenant  
Pre-commitment prior to  
commencing construction

Mid-\$500/sqm  
Targeted rent (net)

36 months  
Expected construction duration



Cost  
\$450-470m



Artist's impression





## Box Hill Central North – New town centre

Connecting the new residential and office towers with the retail centre, railway station and future Suburban Rail Loop station



Artist's impression

Large public realm area links the Box Hill North mixed-use precinct to the retail centre

Provides a strong entry statement as main thoroughfare through to Box Hill Train Station

Provides connectivity to future Suburban Rail Loop Station



## Box Hill Central South – Retail redevelopment

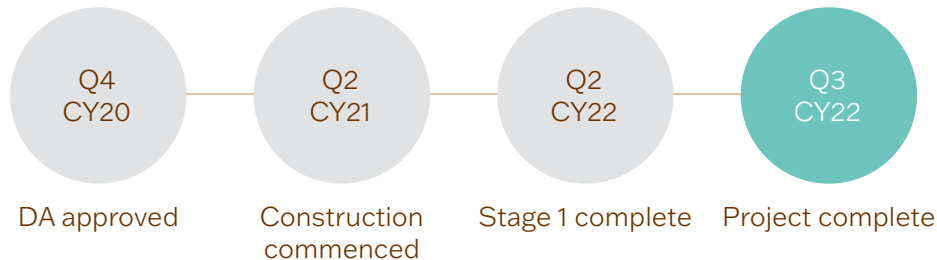
Stage 1 repositions the centre with fresh food mall and Coles supermarket, restaurants with street frontage, tenant remix and mall ambience upgrades

Leveraging the onsite rail and bus interchange and high commuter traffic to drive retail productivity

Relocation of Coles supermarket from Box Hill North into Box Hill South 'unlocks' development potential of North site

Stage 1 includes:

- Coles to move in Spring 2022
- Tenancy remix and mall ambience upgrade
- New restaurants to trade into the existing mall and onto Carrington Road



Cost  
\$46m

Yield  
>7%

IRR  
>13%





## Box Hill Central South – Office development

100% leased to Hub Australia on long-term lease reflecting demand for Box Hill CBD as an office location

New ~4,000 sqm A-grade office space over four levels

100% leased to leading co-working provider  
Hub Australia

Long-term lease

Opening Q1 CY23



Cost  
\$31m<sup>1</sup>

Yield  
>7%

IRR  
>10%

Artist's impression





# Summary and Questions

Vicinity Centres **Development Showcase** 23-24 June 2022

Artist's impression – New Town Centre





# Chatswood Chase Sydney

Vicinity Centres **Development Showcase** 23-24 June 2022

Artist's impression – Major Centre Redevelopment





# A truly unique redevelopment opportunity

Chatswood Chase Sydney has favourable locational context and demographic drivers for the repositioning and growth of the asset

8 km from Sydney CBD

One of the most affluent trade areas in Australia

- 48% of households with income of \$130,000+ (Sydney: 32%)
- 41% of total trade area considered 'Blue Chip'

Established office and apartment location provides opportunity for new high density mixed-use buildings over time

Affluent customer already attracted to centre's premium offer

Rare opportunity to significantly elevate offer and tailor mix







# Lower Ground Fresh Food and Dining Hall project

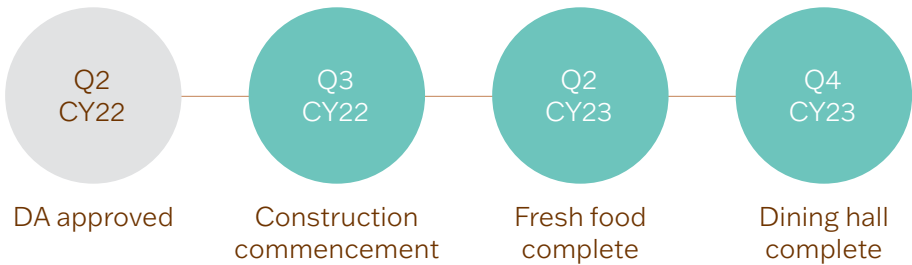
Significant enhancement of the fresh food and dining offer of the centre, laying a solid foundation for the main redevelopment

First stage of development to significantly enhance fresh food and dining offer to match aspirations of affluent customer

Introduces new gourmet grocer

Replaces existing food court with dining hall including quick serve restaurants

Provides a solid foundation ahead of major centre redevelopment project



1. 100% interest. Vicinity's share is 51%.



Cost  
\$50m<sup>1</sup>

Yield  
>6%

IRR  
>9%



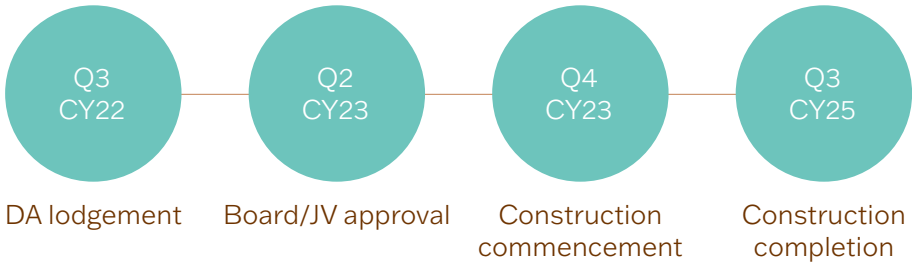
Artist's impressions



# Major centre redevelopment including rooftop office village

New elevated retail offer introduced accompanied by ~8,500 sqm office space

- Scheme design and project planning advanced
- Majors leasing deals concluded to 'unlock' development potential of the site
- Project anchored by new luxury precinct – with strong interest expressed by leading luxury groups
- Extensive mall reconfiguration and ambience upgrade
- Includes ~8,500 sqm of new office space at rooftop



1. 100% interest. Vicinity's share is 51%.



Cost  
\$510-\$530m<sup>1</sup>

Artist's impression





## The rise and rise of luxury and premium brands

High appetite for luxury goods exists in the catchment, which has in turn attracted strong interest from leading luxury retailers



A favourable trade area demographic

Ability to strongly tailor retail mix

High appetite for luxury goods from discerning catchment

Luxury pop-ups well received in-centre

Strong interest from leading luxury brands



# Rooftop office village

Office village product in a 'rooftop garden' setting benefitting from the attractive amenity of the retail centre

New ~8,500 sqm office village on rooftop

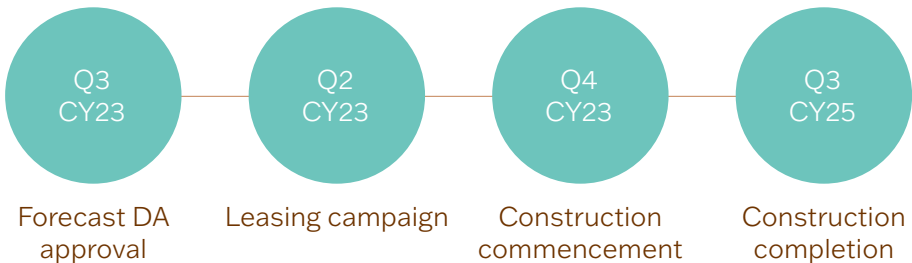
Fully integrated customer connection to the retail centre

5 Star Green Star and 4.5 Star NABERS Energy ratings

~2,800 sqm of landscaped public space

Projected rents: ~\$750+/sqm (gross)

Direct lift access from ground level



Artist's impression





## Rooftop office village fit-out

Large floorplate reflecting demand for collaboration spaces and post-COVID demand for high quality office space close to home





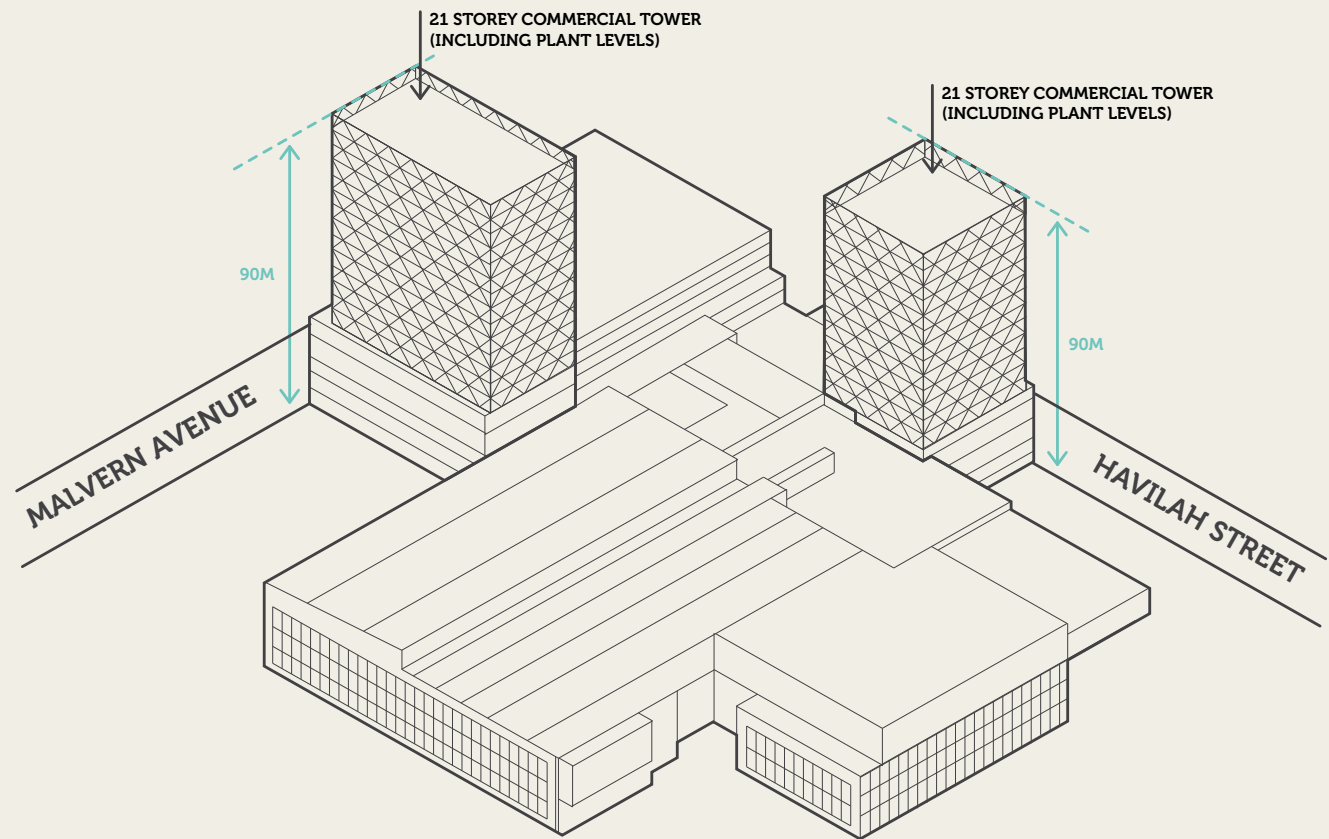
# Masterplan and future development opportunities

Significant height and density achievable under proposed town planning controls creating new opportunities in an in-demand location

Vicinity owns adjacent landholding creating further development opportunities

Forthcoming/proposed changes to town planning controls reflect opportunity for increased height and density

Masterplan prepared to futureproof centre in line with proposed planning controls





# Summary and Questions

Vicinity Centres **Development Showcase** 23-24 June 2022

Artist's impression – Victoria Avenue entrance





# Bankstown Central

Vicinity Centres **Development Showcase** 23-24 June 2022

Artist's impression – Bankstown Exchange





## Bankstown Central – Location fundamentals

Bankstown Central is located at the core of the Bankstown Strategic Centre

Adjacent to significant existing bus and rail interchange

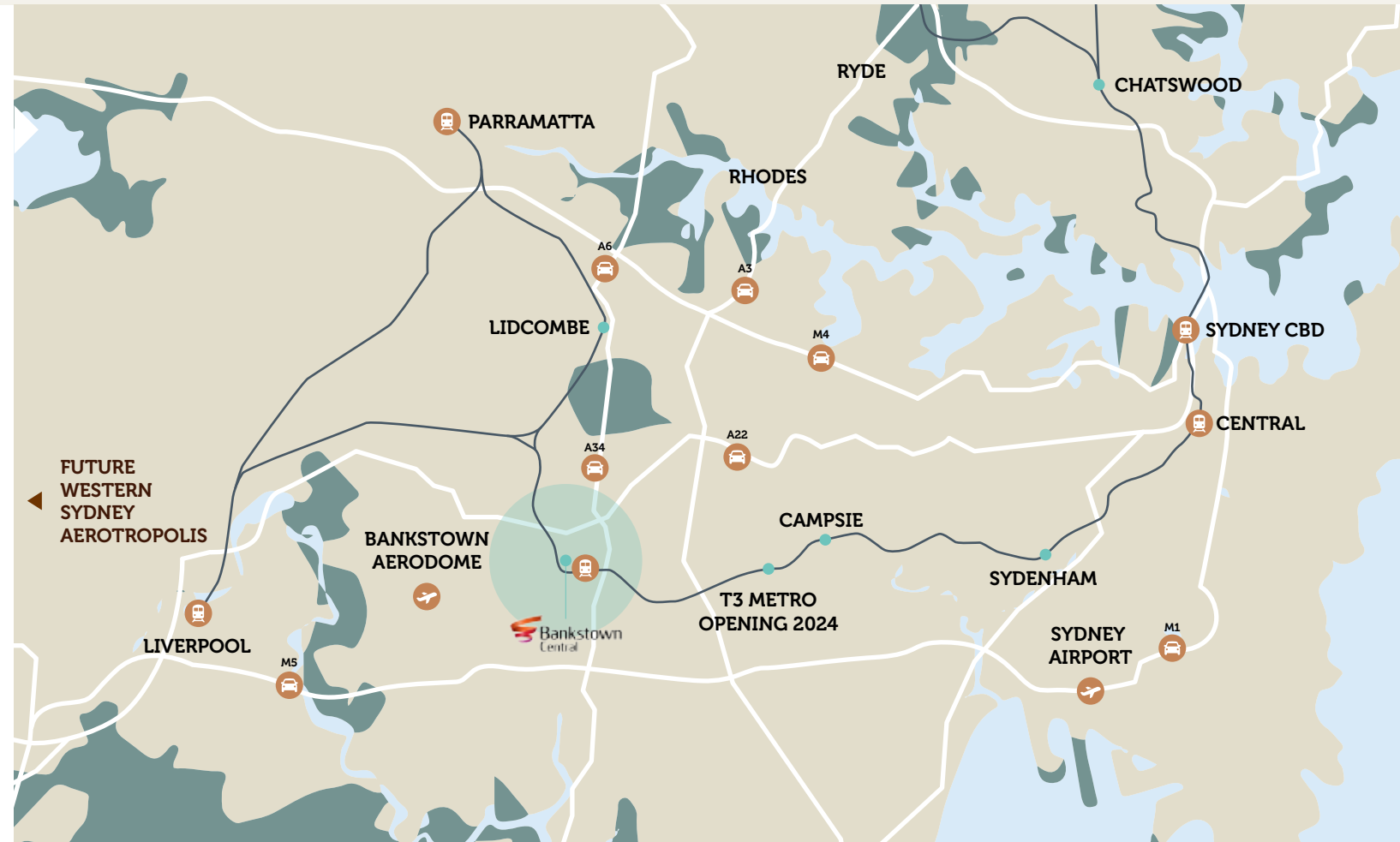
New Bankstown Metro Station due to open in 2024, with a train every four minutes during peak hours

~30 minutes from major centres: Sydney CBD, Parramatta, Liverpool and Sydney Olympic Park

Proximate to educational facilities including Bankstown TAFE

Western Sydney University (WSU) campus recently developed nearby (increasing from ~7,000 students in 2023, to ~12,000 by 2026)

New ~\$1.3b Bankstown-Lidcombe Hospital likely in the Bankstown CBD, acting as a catalyst for Bankstown to be a Health, Education and Smart Jobs Precinct





# NSW Government has positioned Bankstown to evolve into a health and education innovation district

Greater Bankstown area well on its way to becoming an innovation district, providing significant opportunities for Bankstown Central



Bankstown is the largest employment centre in south district

Forecast job numbers increasing from ~12,000 (current) to ~17,000. A higher target of 25,000 jobs has also been set (+107%).



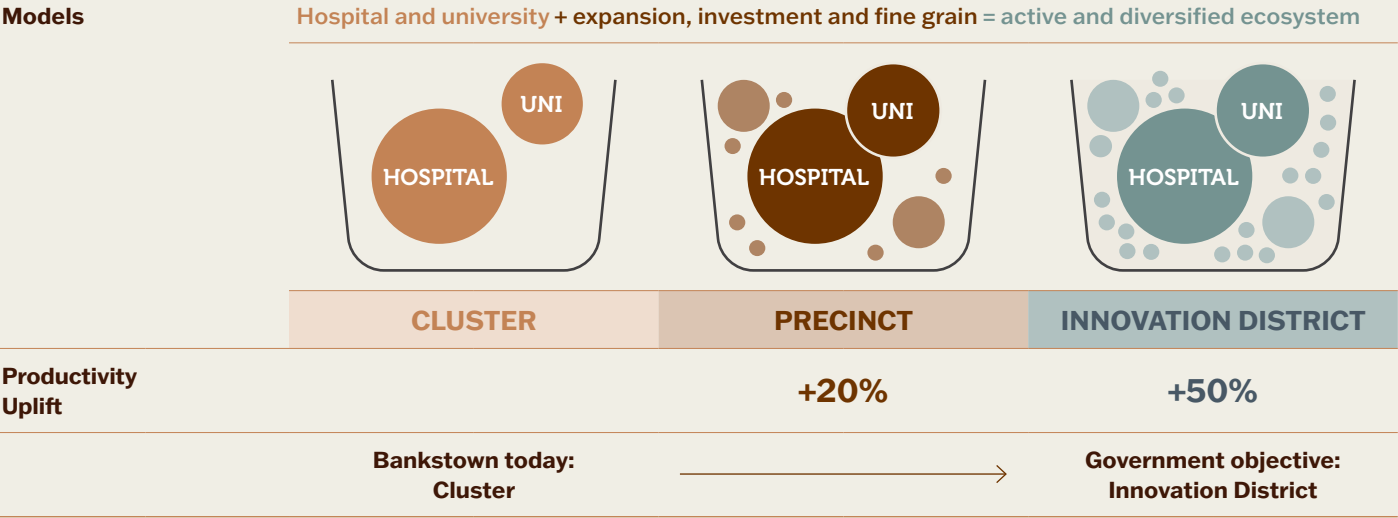
Bankstown to become an internationally competitive health and education innovation district (NSW Government's Planning Framework).

The hospital, TAFE and future Western Sydney University campus and metro station, along with the CBD itself, are all seen as key enablers of this growth.

Greater Sydney Commission (March 2018): A Metropolis of Three Cities.  
1: Over the 2016 jobs estimate (Greater Sydney Commission), 2036 target.

## MATURITY PATHWAY FOR HEALTH AND EDUCATION PRECINCTS

Maturity Pathway	Existing Hospital	Phase 1 University	Phase 2 Research	Phase 3 Scale	Phase 4 Agglomeration	Phase 5 Diversification	Phase 6 Ecosystem
Details	Major Hospital or Principal Referral Hospital	<b>PLUS</b> University collaboration or campus	<b>PLUS</b> Associated medical research institutions	Principal referral hospital <b>PLUS</b> commercialisation of R&D	<b>PLUS</b> Start-ups, accelerators, and venture capital firms	<b>PLUS</b> Multi-disciplinary university, residential and amenity	<b>PLUS</b> An active innovation ecosystem







# Masterplan and future development potential

The Bankstown Central Masterplan includes over 300,000 sqm of developable area

~11.4 ha site in the Bankstown CBD

Planning Proposal unanimously approved by Council in April 2022 – Gazettal expected April 2023

Planning Proposal unlocks ~300,000 sqm of new developable area whilst maintaining retail core

Strategic location adjacent to new Bankstown Metro Station enables significant employment generating opportunities

Development potential of ~19 towers

- Residential
- Commercial office/co-working
- Serviced apartments
- Student accommodation
- Health
- Hotel



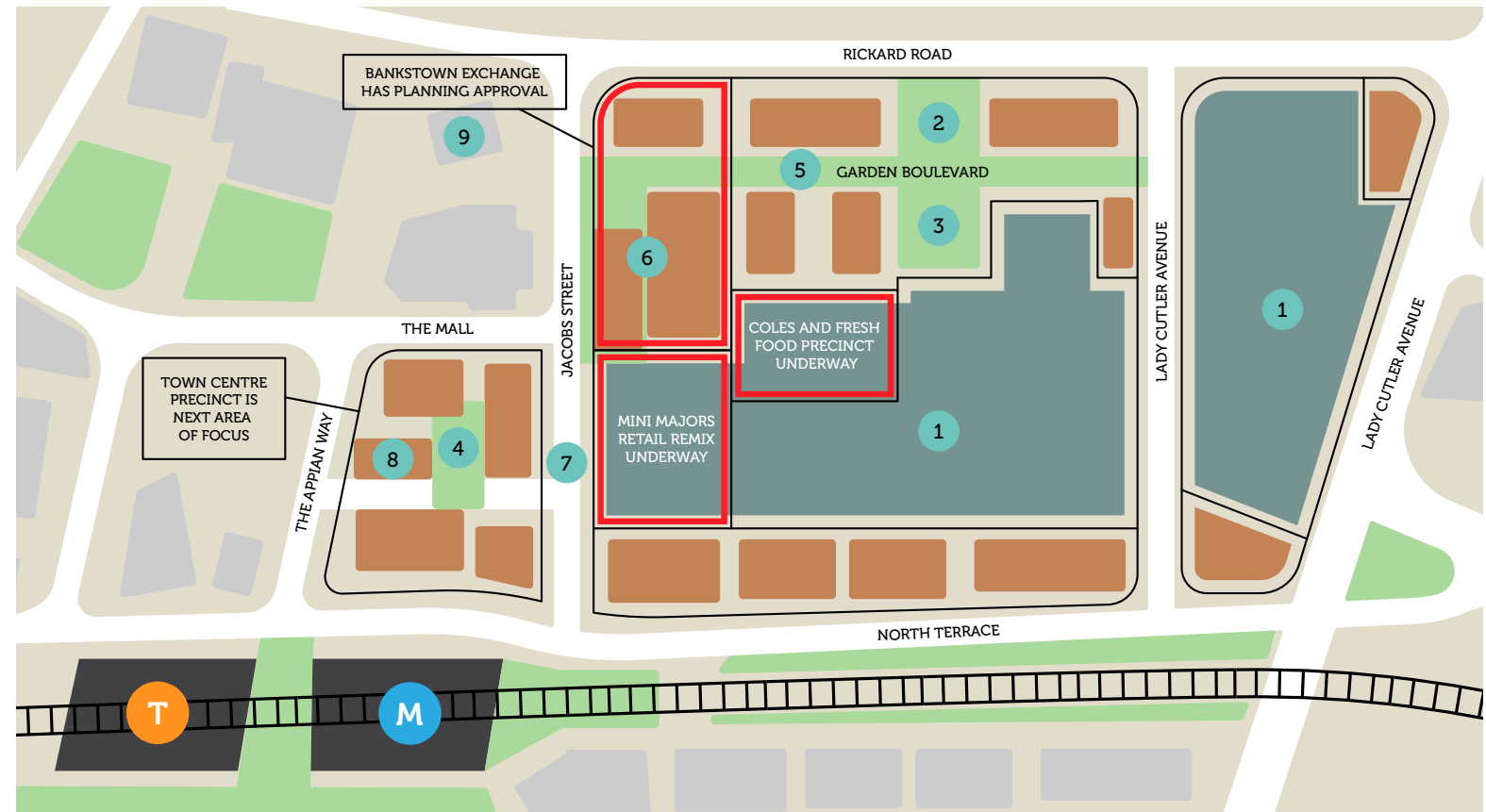
Artist's impression



## Near term development focus

Two retail projects underway, Bankstown Exchange office precinct has planning approval, while Town Centre precinct will be next

- T BANKSTOWN TRAIN STATION
- M BANKSTOWN METRO STATION
- 1 RETAINED RETAIL BUILDING
- 2 CITY PARK
- 3 FUN PARK
- 4 PLAZA
- 5 GARDEN BOULEVARD
- 6 BANKSTOWN EXCHANGE
- 7 PEDESTRIAN/BUS SHARED WAY
- 8 BANKSTOWN MEWS
- 9 WESTERN SYDNEY UNIVERSITY







# Bankstown Exchange comprises three near term office development opportunities

First of multiple opportunities to add new mixed-use buildings to existing centre landholdings

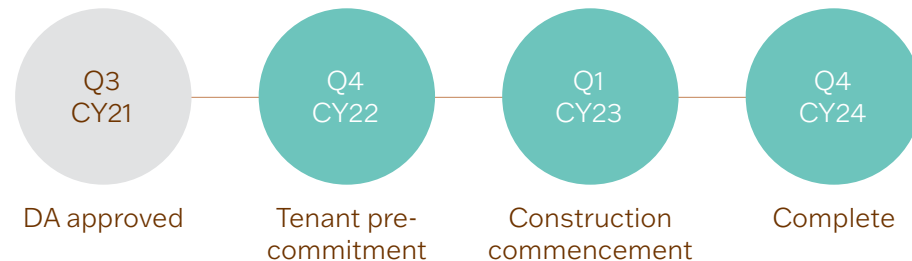
Approved by Council in July 2021

~30,000 sqm of A-grade office split across three towers

5 Star Green Star and 5 Star NABERS Energy ratings

Currently seeking tenant pre-commitments including Government users

Construction to commence once pre-commitments secured



1. 100% interest. Vicinity's share is 50%.



Cost  
\$240-\$260m<sup>1</sup>

Artist's impression



# Fresh Food and Mini Majors projects

Revitalisation of fresh food, including new Coles supermarket and new mini majors precinct

Current projects positioned for strategic future mixed-use redevelopment of the site whilst preserving the retail core

New full line Coles supermarket

New fresh food precinct, including mall ambience upgrade

Replacement of Target store with new mini majors precinct, including a new international flagship retailer

Construction works currently underway and expected to be completed in late 2022



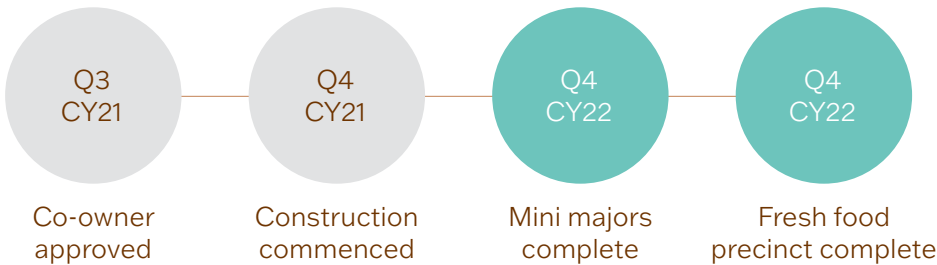
Cost  
\$62m<sup>1</sup>

Yield  
>5.5%

IRR  
>10%



Artist's impressions



1. 100% interest. Vicinity's share is 50%.





# Summary and Questions





# Buranda Village

Vicinity Centres **Development Showcase** 23-24 June 2022

Artist's impression – Residential and Retail Precinct





## Buranda Village – Location fundamentals

Inner city location and adjacent hospital presents a unique opportunity to establish a Health Precinct, complemented by residential and office

3.5km from Brisbane CBD, 15 minutes drive

Located in Brisbane's 'Knowledge Corridor' adjacent to the Princess Alexandra Hospital and research precinct

1.5km from The Gabba – main stadium of 2032 Olympic Games

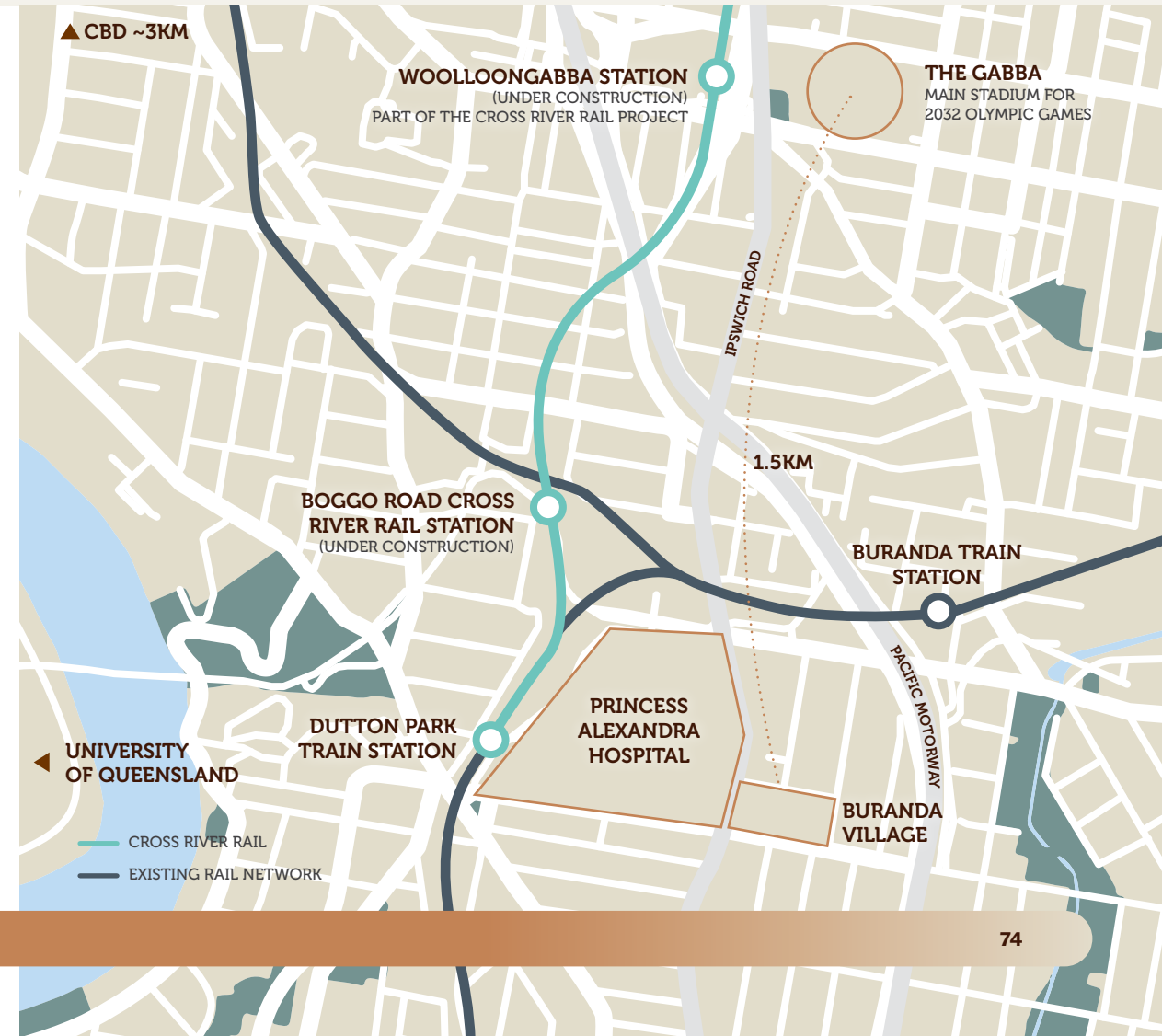
Excellent connectivity to major road and public transport

Strong demographics

- Young catchment, dominated by Metrotechs<sup>1</sup> (i.e. affluent and lifestyle focused) and heavily skewed towards renters
- Income growth is largely moving at an accelerated rate above the Brisbane average, which is likely largely due to the growing young 'white collar' worker profile of trade area residents
- Forecast population (3.25% p.a.) is stronger than the Brisbane average<sup>2</sup>
- 64% of catchment are renters

1. Refer to footnote 1 on slide 39 for definition.

2. For 2018 to 2033, Buranda Village Retail Potential Assessment (2018).





# Masterplan and future development potential

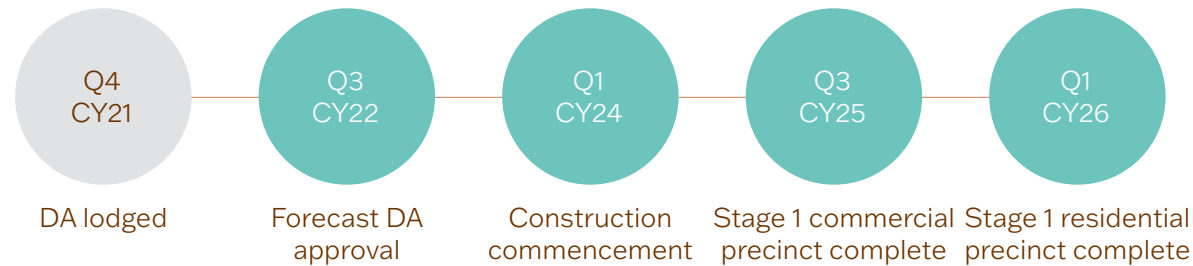
Complete site redevelopment into an integrated retail, residential and commercial precinct

Seven buildings split across lifestyle and commercial precincts, delivering over 105,000 sqm of GFA<sup>1</sup>

- ~10,000 sqm of retail area, including Woolworths and 6,600 sqm specialty space, plus 387 retail and visitor car spaces
- ~627 residential apartments across four buildings plus 564 car spaces
- ~50,000 sqm of office space across three buildings plus 307 car spaces

Deals concluded with major retail tenants to 'unlock' the project

Build-to-Rent product contemplated for residential elements – business case under development



1. Gross floor area.



Artist's impression





# Masterplan precincts

Site to be split into three distinct precincts



RESIDENTIAL AND  
RETAIL PRECINCT

COMMERCIAL  
PRECINCT

PRINCESS ALEXANDRA  
HOSPITAL

Artist's impression





# Masterplan site usages

Site to comprise a range of different usages around a retail core

## Residential and Retail Precinct



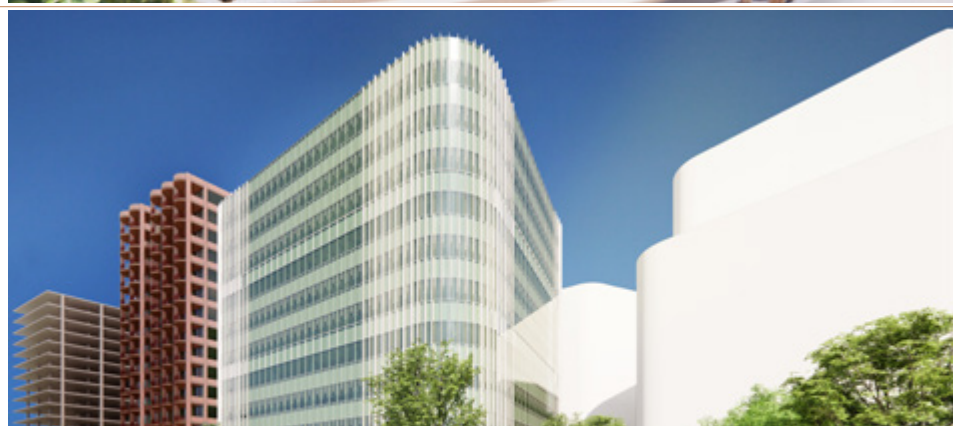
Cost  
\$435-\$450m



## Commercial Precinct



Cost  
\$310m



Artist's impressions





# Summary and Questions

Vicinity Centres **Development Showcase** 23-24 June 2022

Artist's impression



# Vicinity's mixed-use pipeline is now in execution phase

## VICINITY HOLDS MULTIPLE ASSETS IN STRATEGICALLY SIGNIFICANT LOCATIONS THROUGHOUT AUSTRALIA'S MAJOR CITIES

**Future activity growth concentrated in and around designated activity centres, where Vicinity's assets are located**

- Long-term asset planning enables Vicinity to take advantage of this growth as it unfolds
- Bankstown Central – has Council endorsement for ~300,000 sqm of development
- Box Hill Central – initial 80,000 sqm (of potential ~280,000 sqm) development area has received Council approval, and retail consolidation into South precinct has commenced
- Buranda Village – site masterplan unlocks ~100,000 sqm of development with Council approval expected in September 2023
- Victoria Gardens Shopping Centre – plans submitted for approval, with this inner city location already undergoing densification
- Multiple future opportunities exist at Chadstone, which is already recognised as an economic driver for Melbourne's south east
- Future opportunities also exist at Chatswood Chase Sydney, and across other Vicinity assets including Bayside, Sunshine Marketplace, Northland, Roselands and Emporium Melbourne

A critical focus of our development pipeline is the social impact of our undertakings:

- We strive to deliver buildings with strong environmental performance
- Place-making is part of what we do in making a meaningful contribution to the broader community

Vicinity's mixed-use pipeline is now in execution phase





# Contact details and disclaimer

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## AUTHORISATION

Grant Kelley, CEO and Managing Director, has authorised that this document be given to ASX.

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Thank you

