

25.06.14

Investa Office Fund (ASX:IOF)

Acquisition of 6 O'Connell Street, Sydney

Investa Office Fund ("IOF") today announces it has acquired 6 O'Connell Street, Sydney. The 16,400 square metre building has been acquired for \$134.95 million, reflecting an attractive cap rate of 7.5% and an initial yield on cost (after acquisition costs) of 6.5%.

The 25 storey office tower holds a prime location in the heart of the Sydney CBD, and features easily subdivisible floorplates of ~600 square metres which appeal to smaller office users attracted to the core location, and affordable average net rents of \$575 per square metre. Opportunities exist to add value, including increasing the current occupancy from 91%, improving the quality of the building services, and maintaining high levels of retention throughout the building which is occupied by over 40 tenants. There is also a medium term opportunity to improve the ground floor retail thoroughfare between O'Connell and Bligh Streets.

Toby Phelps, IOF Fund Manager said: "This acquisition is consistent with IOF's approach of seeking out acquisitions where we can leverage the demonstrated capability of the Investa Office platform. It deliberately provides IOF with exposure to Sydney's smaller tenant market, which we believe is the most compelling segment of the market today and where IOF currently has no exposure.

"Sydney secondary vacancy is now 8.5%¹, and we see a continuing improvement in supply/demand dynamics as well priced and well located secondary stock is withdrawn from the market for residential conversion. This acquisition positions us to take advantage of these improving fundamentals, which support our ongoing focus on generating attractive risk adjusted returns."

The acquisition will be funded with proceeds from the sale of 628 Bourke Street, Melbourne, which exchanged in May 2014 for a price of \$129.6 million at a cap rate of 7.25%.

On 17 June 2014, IOF confirmed distribution guidance of 18.5 cents per unit. IOF announces its FY14 results on 19 August 2014.

- ENDS -

1. Jones Lang LaSalle research, Q1 2014 report

About Investa Office Fund

Investa Office Fund (ASX code: IOF) is an ASX-listed real estate investment trust (A-REIT) and is included in the S&P/ASX100 index. IOF is a leading owner of investment grade office buildings and receives rental income from a tenant register comprised predominately of Government and blue chip tenants. IOF has total assets under management of AU\$3.1 billion with 22 investments located in core CBD markets throughout Australia, and one remaining legacy asset in Brussels, Belgium. IOF's focus is on delivering attractive risk-adjusted returns to its unitholders from a portfolio of high quality assets located in the key CBD office markets of Australia.

About Investa Office

Investa Office is Australia's leading owner and manager of commercial office buildings, controlling assets worth \$8 billion in key CBD markets across Australia. Our end-to-end real estate platform incorporates funds, portfolio and asset management, property services, development, sustainability, capital transactions and research.

We strive to be the first choice in Australian office, by delivering consistent outperformance for our investors and exceeding the expectations of our tenants and staff. Investa Office is a global leader in sustainability and is committed to responsible property investment and the ongoing pursuit of sustainable building ownership and management.

We are a signatory of the United Nations Principles for Responsible Investment.

Fund Enquiries

Toby Phelps

Fund Manager

Investa Office Fund

T +61 2 8226 9439

M +61 466 775 367

E Tphelps@investa.com.au

Alex Abell

Assistant Fund Manager

Investa Office Fund

T +61 2 8226 9341

M +61 466 775 112

E Aabell@investa.com.au

Media Enquiries

Emily Lee-Waldo

General Manager, Marketing & Communications

T +61 2 8226 9378

M +61 416 022 711

E ELee-Waldo@investa.com.au

**The first
choice in
Australian
office.**