

ASX Release

Brickworks Marketplace Development and Acquisition

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Charter Hall
Retail Management Limited
ACN 069 709 468
AFSL 246996

Responsible entity of
Charter Hall Retail REIT
ABN 34 357 213 849

Level 20, No.1 Martin Place
Sydney NSW 2000
GPO Box 2704 Sydney NSW 2001

T +61 2 8651 9000
F +61 2 9221 4655

www.charterhall.com.au

Charter Hall Retail REIT (ASX:CQR) (the REIT) today announced the joint venture formed in 2012 with a domestic institutional partner, known as Charter Hall Retail Partnership No.1 (CHRP1), has acquired land comprising the former Brickworks site in Torrensville, Adelaide South Australia for \$7.55 million (100% interest) from Woolworths Limited (Woolworths). The land is the future site of Brickworks Marketplace, a shopping centre that will be constructed by Woolworths, with an estimated on-completion value of \$75 million (100% interest) subject to final leasing outcomes. The final price paid will be based on the achieved rents capitalised at 6.89%.

The construction is expected to complete in mid 2015 and the centre will comprise a new 17,300 square metre sub-regional shopping centre, anchored by a full line Woolworths supermarket, BIG W discount department store and Dan Murphy's liquor store, and approximately 5,200 square metres of supporting retail specialty space which is currently being marketed for lease.

Woolworths will provide a twelve month rental guarantee over any specialty area that is vacant on completion of the centre. Woolworths and BIG W have each committed to new 20 year leases, with the Dan Murphy's tenancy subject to a 15 year lease. On completion, Woolworths' covenant leases will account for 70% of the gross lettable area and 49% of the base rent of the centre.

Fund Manager, Scott Dundas, said the centre is an important addition to the REIT's \$2 billion Australian portfolio and that the acquisition further strengthens the REIT's earnings and Charter Hall's relationship with Woolworths.

"Our focus is on continuing to strengthen and improve the quality of our Australian portfolio, and Brickworks Marketplace is a perfect fit for the REIT, with the centre servicing an established local community and providing much needed convenience based shopping to the area.

"The high proportion of base rent from Woolworths is in line with the REIT's investment strategy of investing in long WALE leases to Australia's major supermarket operators," Mr Dundas added.

The centre will be positioned on a high profile site on the corner of South Road and Ashwin Parade. South Road is an integral North-South route in the metropolitan area and carries an estimated 50,000 vehicles per day.

This acquisition will be predominantly funded from the CHRP1 joint venture debt facility with the facility limit to be increased by \$50 million to \$235 million¹ (100% share). This facility will also be extended by one year to July 2018, at existing pricing.

¹ Credit approved, subject to documentation



About Charter Hall Retail REIT

Charter Hall Retail REIT is a leading listed real estate investment trust with a portfolio of high quality Australian supermarket anchored neighbourhood and sub-regional shopping centres.

Charter Hall Retail REIT is managed by Charter Hall Group (ASX:CHC), one of Australia's leading fully integrated property groups, with over 23 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$12.1 billion of funds under management across the office, retail and industrial sectors. The Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

The Group's success is underpinned by a highly skilled and motivated team with diverse expertise across property sectors and risk-return profiles. Sustainability is a key element of its business approach and by ensuring its actions are commercially sound and make a difference to its people, customers and the environment, Charter Hall can make a positive impact for its investors, the community and the Group. For further information on Charter Hall Group and Charter Hall Retail REIT go to www.charterhall.com.au

For further information, please contact:

Scott Dundas

Fund Manager
Charter Hall Retail REIT
T +61 2 8651 9273

scott.dundas@charterhall.com.au

Philip Schretzmeyer

Deputy Fund Manager
Charter Hall Retail REIT
T +61 2 8651 9246

philip.schretzmeyer@charterhall.com.au

For investor enquiries, please contact

Nick Kelly

Head of Investor Relations
Charter Hall
T +61 2 8651 9235

nick.kelly@charterhall.com.au

For media enquiries, please contact

Rachel Mornington-West

Head of Marketing and Communications
Charter Hall
T +61 2 8651 9248

rachel.mornington-west@charterhall.com.au