
ASX ANNOUNCEMENT

1 February 2016

Settlement of 50 Cavill Avenue, Surfers Paradise

GDI Property Group is pleased to announce that it has settled the acquisition of 50 Cavill Avenue, Surfers Paradise ("50 Cavill Avenue"), for \$48.75 million. 50 Cavill Avenue is strategically positioned in the heart of the Surfers Paradise tourism precinct, located on the corner of the Gold Coast Highway, Cavill Avenue and Beach Road. The property provides 22 levels of A-grade commercial office accommodation with a Net Lettable Area of approximately 16,566sqm and undercover parking for 447 cars.

Commenting on the acquisition, Mr Steve Gillard, Managing Director of GDI Property Group stated that "the acquisition of 50 Cavill Avenue was a typical GDI Property Group transaction. 50 Cavill Avenue has four sides of natural light, easily divisible floor plates and we are buying it for well below replacement cost. We intend to immediately commence a \$9.5 million refurbishment program including upgrading the lifts, chillers, foyer and lift lobbies and refurbishing some of the vacant floors. With the refurbishment program we intend to not only improve the appeal of the property, but achieve a 5 Star NABERS rating and permanently reduce our tenants outgoings" Mr Gillard stated.

Mr Gillard also stated that since GDI Property Group announced it had exchanged contracts to acquire 50 Cavill Avenue on 18 December 2016, occupancy has increased to 58% of NLA (up from 54%). "Once we exchanged contracts to acquire the property we let the markets know how we intend to re-instate 50 Cavill Avenue as the Gold Coast's pre-eminent office building. The property has received lots of leasing enquiry and we now look forward to converting that interest to leases. With an improving Gold Coast economy and a refurbished building, we anticipate occupancy at 50 Cavill Avenue being substantially higher by the end of 2016" Mr Gillard said.

GDI Property Group funded the acquisition by a \$75 million extension to its existing three year facility. With a passing yield of approximately 6.4% (net face) on occupancy of 58%, the acquisition is marginally accretive.

Advance Notice: Results for the period ended 31 December 2015

GDI Property Group results for the period ended 31 December 2015 will be released to the market on Monday 22 February 2015.

An investor/analyst briefing teleconference call, with a question and answer session, will be held on Monday, 22 February 2015 at 2.30pm (AEST).

Investors and analysts wishing to participate should dial **02 8373 3507** from within Australia and international participants should dial **+61 2 8373 3507** and ask to join the GDI Property Group Results Investor Briefing (conference ID number: **41581285**).



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50 Cavill Avenue, Surfers Paradise, QLD



Key metrics

Acquisition price	\$48.75 million
Price per sqm	\$2,943
Market capitalisation rate	9.5%
Passing yield ⁽¹⁾⁽²⁾	6.4%
Discount rate	8.75%
NLA – Total (sqm)	16,565.80
NLA – Office (sqm)	16,175.90
NLA – Retail (sqm)	389.90
Typical floor area (sqm)	Lower floors 800sqm, upper floors 650sqm
Car parking	447
Occupancy ⁽²⁾	58%
WALE by NLA ⁽²⁾	4.45 years
NABERS Energy rating	0 stars; Target 5 stars

Top four tenants by NLA

Tenant Name	NLA		Rent review		Lease Expiry
	Sqm	% total	Type	% p.a.	
Mantra Group Limited	2,439	14.7%	Fixed	3.5%	FY23
Ray White Commercial ⁽³⁾	834	5%	Fixed	3.5%	FY22
Regus Gold Coast	709	4%	Fixed	3%	FY21
Dental Partners Pty Ltd	709	4%	Fixed ⁽⁴⁾	3%	FY21

Notes:

- (1) Excluding acquisition costs
- (2) Includes signed leases yet to commence and excludes tenants currently in occupation that GDI Property Group does not expect to renew/remain
- (3) Lease commences 1 March 2016
- (4) Greater of CPI or 3%