

3 May 2018

STU/NZX announcement

STEEL & TUBE ASSESSES SALE OF BLENHEIM ROAD PROPERTY

Steel & Tube Holdings Limited (NZX: STU) advises that it is marketing its property at Blenheim Road, Christchurch on a sale and leaseback basis through CBRE.

Steel & Tube Chief Executive Officer, Mark Malpass, said: “We are a customer focused steel distribution and solutions company, not a commercial property company. A sale and leaseback would release capital, improving the efficiency of our balance sheet, while still reflecting the importance of the property through favorable lease terms.”

Over the last few years, Steel & Tube has been consolidating its property footprint. This is an ongoing process as the company looks to capture synergies from recent acquisitions and build on its significant breadth of product offering to customers across New Zealand. Its objective is to create a ‘one stop shop’ for customers, allowing them to access the range of Steel & Tube’s products and services in one place.

In Christchurch, Steel & Tube has recently undertaken two major developments. In December 2017, it opened a brand new coil processing site on Seymour Street. The development was undertaken by the landlord on a long term lease arrangement. The second development is the Blenheim Road site that has been significantly upgraded and forms a key distribution hub for the South Island.

Steel & Tube believes the Blenheim Rd property will be very attractive to potential landlords given the substantial upgrade that has just been completed, Steel & Tube’s long term tenancy and the size and scale of the asset. The property is expected to be one of the leading industrial investment opportunities in the South Island market for 2018.

Enquiries regarding the property should be directed to CBRE Christchurch – contact Tim Rookes or Merv Davies.

-ENDS-

Greg Smith
Chief Financial Officer & Company Secretary
STEEL & TUBE
For further information please contact:

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