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GMT sells VXV office portfolio to focus on industrial

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Release Immediate

Goodman (NZ) Limited, the Manager of Goodman Property Trust (“GMT”), is pleased to announce the sale of the VXV office portfolio to certain Blackstone funds for \$635 million.

The VXV portfolio is owned by Wynyard Precinct Holdings Limited, a joint venture between GMT (51%) and GIC, the sovereign wealth fund of Singapore (49%). Both parties have agreed to the sale.

VXV is a high-quality commercial precinct adjoining Auckland’s vibrant Wynyard Quarter. It includes seven low-rise office buildings, providing around 88,000 sqm of space.

The gross sale price of \$635 million reflects a passing yield of 6.6%.

John Dakin, Chief Executive Officer of Goodman (NZ) Limited said, “This is a defining transaction for our business as it completes a repositioning programme that has established GMT as the country’s leading provider of high-quality industrial space. Following this and other contracted sales, GMT’s \$2.2 billion portfolio will be almost 100% invested in the Auckland industrial market.

“We have made tremendous progress with our development programme over the last five years with more than \$670 million of new projects improving an already high-quality portfolio. The \$1.2 billion of assets sales funding this development activity have also deleveraged the balance sheet. With an expected loan to value ratio of below 20% following this sale, we have substantial capacity for future development and investment opportunities.”

The transaction, which remains subject to Overseas Investment Office and freehold land owner approval, is expected to settle in late FY19 and will add around 2.5 cents to GMT’s proforma NTA. The settlement timing means the sale is not expected to have a material impact on earnings or distributions for FY19.

For additional information please contact:

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About Goodman Property Trust:

GMT is an externally managed unit trust, listed on the NZX. It has a market capitalisation of around \$1.7 billion, ranking it in the top 20 of all listed investment vehicles. The Manager of the Trust is a subsidiary of the ASX listed Goodman Group, Goodman Group is also the Trust’s largest investor with a cornerstone unitholding of 21%.

GMT is New Zealand’s leading industrial and business space provider. It has a substantial property portfolio, with a value of \$2.2 billion after recently contracted sales, which accommodates around 180 customers. The Trust holds an investment grade credit rating of BBB from Standard & Poor’s.