

VALUATION, PORTFOLIO UPDATE AND DISPOSAL

NZX listed industrial property landlord Property for Industry Limited (PFI, the Company) is pleased to announce an expected annual increase in the value of its property portfolio as a result of independent valuations of approximately \$69 million or 5.5% to \$1.324 billion. The Company is also pleased to provide an update on the portfolio, and to announce the disposal of a property.

Valuation

PFI began the year with a portfolio of 92 properties valued at \$1.211 billion, and two properties were acquired during the year for a combined total of \$28 million. Capital expenditure and property related prepayments totalled \$16 million, and together with the expected uplift of \$69 million¹, provides the bridge to the December 2018 portfolio of 94 properties which are expected to be valued at \$1.324 billion.

Independent valuers CBRE, Colliers International, Jones Lang LaSalle and Savills carried out the valuations, which remain subject to finalisation and audit.

Portfolio Update

A key driver of the valuation outcome was the successful leasing of more than 82,000 sqm of space, representing ~11% of PFI's existing portfolio, during the year to date. 22 new and existing tenants have been secured for an average term of 6.1 years, with more than 85% of the contract rent secured as a result of 17 lease renewals, for an average term of 5.7 years. In addition to this, five leases were secured with new tenants, for an average term of 8.9 years.

PFI is also close to securing a new tenant at the Company's Carlaw Park property in Parnell. The Company expects to conclude documentation of a six-year lease over 2,229 sqm of space prior to the end of the year, representing 60% of the vacant space at the property.

Disposal

PFI is also pleased to announce the sale of the Company's 50 Parkside Road property in Wellington for a gross sales price of \$3.4 million to a private investor. The property was marketed for sale by Bayleys and settlement is scheduled to take place on 23 January 2019.

Annual results announcement

PFI's annual results announcement will be made on Monday, 18 February 2019.

ENDS

¹ Includes \$7.9 million recognised in the six months to 30 June 2018.



ABOUT PFI & CONTACT

PFI is an NZX listed property vehicle specialising in industrial property. PFI's nationwide portfolio of 94 properties is leased to 146 tenants.

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