



Stride Property Group (NS)

NZX Announcement

IMMEDIATE – 30 January 2019

## **Agreement to Develop Industrial Facility at The Concourse, West Auckland**

Further to the announcement by Stride Property Limited (SPL) on 21 December 2018 regarding entry into an agreement to acquire a property at The Concourse, Henderson, West Auckland, SPL is pleased to announce it has reached agreement with a tenant to develop a new industrial facility on the vacant development land.

SPL has agreed to develop the 2.17 hectares of development land at 1-11 Selwood Road (part of The Concourse acquisition) into a new industrial facility. The development remains conditional on all necessary resource and building consents for the project, which are expected to be issued during 2019.

Upon completion of the development, which is currently targeted for mid-2020, a 25 year lease will be entered into for the site, with initial net rental of \$2.045 million per annum and structured rental growth. The agreement allows for base development costs of \$15 million, and for expansion of the scope of works of up to \$8 million with an associated higher rental. When combined with the existing improvements and associated leases, the committed weighted average lease term for the property will be 16 years.

This development builds on SPL's existing relationship with the tenant, a leading New Zealand company. The Concourse site has connection to significant roading infrastructure, with immediate access to the Lincoln Road interchange providing connectivity north via the Western Ring Route and south via the Waterview Tunnel. Stride Property Group Chief Executive, Philip Littlewood, commented that "we are very pleased to be able to develop this strategic site, building on our existing strong relationship with the tenant. This development is further evidence of Stride undertaking developments that are well located and meet our customer's long term requirements. This transaction also aligns with our strategic investment focus to grow Stride's high quality industrial property portfolio." Stride hopes to be in a position to confirm the identity of the tenant in the coming months, once the tenant has completed its stakeholder engagement processes.

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*A Stapled Security of the Stride Property Group comprises one ordinary share in Stride Property Limited and one ordinary share in Stride Investment Management Limited. Under the terms of the constitution of each company, the shares in each can only be transferred if accompanied by a transfer of the same number of shares in the other. Stapled Securities are quoted on the NZX Main Board under the ticker code SPG. Further information is available at [www.strideproperty.co.nz](http://www.strideproperty.co.nz) or at [www.nzx.com/companies/SPG](http://www.nzx.com/companies/SPG).*