

## NZX RELEASE

28 October 2020

# Kiwi Property portfolio valuation update

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Kiwi Property announced the outcome of its independent property valuations today, including a \$9.2 million fair value gain across its mixed-use, retail and office assets. The Company's property portfolio was valued at \$3.2 billion as at 30 September 2020.

Kiwi Property, Chief Executive Officer, Clive Mackenzie said: "The uncertainty caused by COVID-19 continues to impact property values, with assumptions around rental growth, vacancy, leasing-up allowances and general trading conditions yet to return to pre-pandemic levels. Despite this, it's encouraging to see a firming of capitalisation rates across the office portfolio and a general stabilisation of asset values."

### Mixed-use portfolio

Kiwi Property's mixed-use portfolio, which includes Sylvia Park, Sylvia Park Lifestyle, LynnMall and The Base (50% interest), experienced a fair value decrease of 0.9%, or \$13.5 million, to \$1,551 million, due largely to seismic strengthening costs. Despite this decline, the portfolio's weighted average capitalisation rate tightened to 5.83%, an improvement of four basis points on the prior period.

### Office portfolio

The Company's office portfolio again proved the most resilient of its asset classes, experiencing a 4.3% or \$38.9 million valuation uplift to \$950 million. Capitalisation rates across each of the Company's four office assets (Vero Centre, ASB North Wharf, The Aurora Centre and 44 The Terrace) firmed by between 12.5 and 25 basis points, with the weighted average capitalisation rate firming 19 basis points to 5.27%.

### Retail portfolio

The value of the Kiwi Property's retail portfolio decreased by 3.3%, or \$16.2 million, to \$469 million, with seismic upgrade works again the primary driver. Positively, capitalisation rates for the portfolio firmed six basis points to 8.05%.

### Overall portfolio

Following the latest valuations, Kiwi Property's investment portfolio capitalisation rate now sits at 6.00%, a firming of 11 basis points since 31 March 2020.

The valuations were determined by independent valuers and are subject to review by our auditors, PWC. They will be confirmed in the Company's interim financial statements for the six months ended 30 September 2020.

**ENDS**



## Contact us for further information

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## About us

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Kiwi Property (NZX: KPG) is one of the largest listed property companies on the New Zealand Stock Exchange and is a member of the S&P/NZX 20 Index. We've been around for over 25 years and proudly own and manage a significant real estate portfolio, comprising some of New Zealand's best mixed-use, retail and office buildings. Our objective is to provide investors with a reliable investment in New Zealand property through the ownership and active management of a diversified, high-quality portfolio. S&P Global Ratings has assigned Kiwi Property an issuer credit rating of BBB (stable) and an issue credit rating of BBB+ for each of its fixed rate senior secured bonds. Kiwi Property is the highest rated New Zealand company within CDP (Carbon Disclosure Project) and is a member of FTSE4 Good, a series of benchmark and tradable indices for ESG (Environmental, Social and Governance) investors. Kiwi Property is licensed under the Real Estate Agents Act 2008. To find out more, visit our website [kp.co.nz](http://kp.co.nz)