

\$88.8M DANDENONG SOUTH INDUSTRIAL ESTATE DEVELOPMENT

- ***Eight-hectare SouthSide Industrial Estate, Dandenong South VIC acquisition***
- ***Entered a Development Management Agreement (DMA) to fund-through six high-quality industrial facilities***
- ***Rare brand-new industrial estate totalling 40,380sqm, tenancies ranging from 3,395sqm to 13,610sqm***
- ***Increases CIP's exposure to the tightly held southeast Melbourne industrial market***
- ***Targeting a Green Building Council of Australia five-star Green Star ratings***

SYDNEY (Friday, 30 April 2021) – Centuria Industrial REIT (**ASX: CIP**), has acquired eight hectares of land at 95-105 South Gippsland Hwy, Dandenong South VIC for \$26.3m and entered into a DMA to construct a six-asset industrial estate, requiring a \$62.5m investment, which will deliver an asset with an estimated end value of \$88.8m.

The acquisition and development opportunity provides increased exposure within the tightly held, sought after southeast Melbourne industrial market of Dandenong South.

CIP is capitalising on this rare opportunity to secure brand-new industrial assets in a market where vacancy levels are approximately one per cent¹. The new properties will complement CIP's existing seven assets in southeast Melbourne.

The estate will be developed in partnership with specialist commercial and industrial developer Cadence Property Group (vendor) and constructed by Texco Construction, providing industrial units ranging from 3,395sqm to 13,610sqm and catering to a diverse range of industrial users. Total Gross Lettable Area (GLA) will be approximately 40,380sqm. The development will be supported with a two-year rent guarantee from the vendor. Practical completion is expected in 2022.

Jesse Curtis, CIP Fund Manager, said, "This Dandenong South acquisition is a rare opportunity to secure a high-quality, sustainable asset in a market affected by a scarcity of investment-grade industrial properties. The asset builds CIP's value-add pipeline and delivers brand new industrial product to the portfolio creating further value for unitholders.

"The strong performing southeast Melbourne industrial market is showing robust tenant demand with prime-grade vacancy currently around one per cent¹ enabling CIP to leverage its leasing expertise. The site is set to benefit from the newly announced Dandenong South Inland Port, enabling direct containerised freight from the port of Melbourne which is expected aid in leasing demand."

The transaction increases CIP's portfolio to 63 assets and portfolio value on completion to \$2.7 billion.

The development aims to achieve a Green Building Council of Australia Design and As Built 'v1.3' Five-Star Green Star rating for the estate, incorporating sustainable features including solar panels, recycled water, sustainable and recycled building materials and native vegetation.

The asset will be funded through existing debt facilities.

– Ends –

For more information or to arrange an interview, please contact:

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Authorised for release by Anna Kovarik, Company Secretary

¹ Source: Colliers Research, April 2021

Centuria Industrial REIT (CIP)

ASX Announcement

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About Centuria Industrial REIT

CIP is Australia's largest domestic pure play industrial REIT and is included in the S&P/ASX 200 Index. CIP's portfolio of high-quality industrial assets is situated in key metropolitan locations throughout Australia and is underpinned by a quality and diverse tenant base. CIP is overseen by a hands-on, active manager and provides investors with income and an opportunity for capital growth from a pure play portfolio of high quality Australian industrial assets.

Centuria Property Funds No. 2 Limited (CPF2L), is the Responsible Entity for the ASX-listed Centuria Industrial REIT (CIP). CPF2L is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with more than \$10 billion in total assets under management and strong offerings across listed real estate investment trusts, unlisted real estate funds and investment bonds.

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