

## **Investa Office Fund (ASX:IOF)**

### **Arup pre-commits to 151 Clarence Street Sydney**

Investa Office Fund (IOF) announces today that it will proceed with a redevelopment of 151 Clarence Street, Sydney, after securing a pre-commitment from Australian engineering and professional services firm Arup, for 27% of the new A-grade building.

The current ~16,000 square metre B-grade building, occupied primarily by Westpac and Telstra, will be demolished in March 2016 to make way for a new 17 storey, ~22,000 square building. Arup, a global leader in design, planning, engineering and consulting, has committed to a 10 year lease and will occupy 5,900sqm over levels 1 – 4. Arup will also be engaged to provide full multi-disciplinary engineering services for the development.

Marianne Foley, Leader Consulting NSW, Arup said: “We’re excited at the opportunity to relocate our firm and our people to a building of the calibre of 151 Clarence Street. By committing early, we are able to lock in our future accommodation requirements whilst also having the opportunity to work with Investa to create world class design and engineering solutions in a building of the future.”

151 Clarence Street is strategically located in the heart of the Sydney CBD and links the traditional core with the western corridor. Major public transport nodes at Wynyard, Town Hall and Martin Place are located nearby with extensive retail and entertainment amenity at Pitt Street Mall and King Street Wharf within walking distance.

The new building will feature large 1,200 – 1,700sqm floor plates and will be designed to achieve a 5 star Green Star rating and a 5 star NABERS Energy rating. Based on current feasibility, the redevelopment is forecast to deliver a 7.5 – 8% yield on cost and 15 – 20% profit on cost.

Toby Phelps, Fund Manager of IOF said: “In February we outlined the future opportunities for this site and we are pleased to announce continued momentum with Arup’s pre-commitment over 27% of the new building. This commitment reinforces our view that the location, design and price-point of a redeveloped 151 Clarence Street will appeal to the needs of today’s occupiers. This development will continue to build on Investa’s track record of value creation and drive NTA growth.”

**-ENDS-**

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### About Investa Office Fund

Investa Office Fund (ASX code: IOF) is an ASX-listed real estate investment trust (A-REIT) and is included in the S&P/ASX100 index. The Fund is a leading owner of investment grade office buildings and receives rental income from a tenant register comprised predominately of Government and blue chip tenants. IOF has total assets under management of AU\$2.6billion with investments located in core CBD markets throughout Australia and select offshore markets in Europe. IOF's strategy is to reposition the portfolio to an Australian only focus.

### About Investa Office

Investa Office is Australia's leading owner and manager of commercial office buildings, controlling assets worth more than \$7 billion in key CBD markets across Australia. Our end-to-end real estate platform incorporates funds, portfolio and asset management, property services, development, sustainability, capital transactions and research.

We strive to be the first choice in Australian office, by delivering consistent outperformance for our investors and exceeding the expectations of our tenants and staff. Investa Office is a global leader in sustainability and is committed to responsible property investment and the ongoing pursuit of sustainable building ownership and management. We are a signatory of the United Nations Principles for Responsible Investment.

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# 151 Clarence Street Sydney redevelopment

## Future opportunities unlocking value growth

- > New A grade building to be constructed at a cost of ~\$110m:
  - NLA to be increased from ~17,000sqm to 22,000sqm over 17 floors
  - Efficient floor plates ranging from ~1,200sqm to ~1,700sqm
  - 27% pre-commitment from Arup
- > Leveraging a strategic location between traditional core and established western corridor
- > Works to start early 2016 and complete late 2018
- > Targeting yield on cost 7.5 – 8% and significant NTA upside – 15 – 20% profit on cost
- > Transformation from existing B grade asset made-up of 3 interconnected buildings that form an inefficient floor plate with 35 columns and poor light penetration

