

27.09.2023

Market Release

Leasing and general update

Argosy Property Limited ('Argosy' or 'the Company') has announced a leasing and general update with respect to its property portfolio.

A Flight to Green

Argosy has concluded leasing transactions over some further green certified space in the portfolio. CEO Peter Mence said "As the market changes, it is clear that occupiers have a strong and increasing preference for green buildings. The vast majority of our leasing enquiry is for these buildings, with a growing focus on embodied carbon. Argosy is proud to be working with some top-quality tenants and to secure leases in our certified green buildings. It is a vindication of our green building philosophy."

82 Wyndham Street – NIWA agrees to new 12-year lease

NIWA has entered into a conditional agreement for a 12-year lease for approximately 2,650m² on the ground floor and Level 1 of 82 Wyndham Street. The lease will commence 1 January 2024 and includes 80 car parks. The rent review mechanism is fixed at 2.75% per annum with market review on renewal. The net effective annual rental is \$1.45 million. Argosy Management has maintained a strong working relationship with NIWA who currently occupy a similar amount of space at 39 Market Place and will relocate to 82 Wyndham Street from January 2024. This will be the 3rd Argosy owned building they have occupied. The lease agreement with NIWA was contingent on a surrender by Eke Panuku (Auckland Council) for their space in the building.

Argosy Chief Executive Officer Peter Mence said "We are very pleased to have retained NIWA in the portfolio. The market demand for green buildings remains strong, and NIWA's desire to relocate to 82 Wyndham St, which is a 5 Green Star Built building, is reflected in the lease term of twelve years.

The benefits of green buildings around staff retention, productivity and reduced absenteeism are well known. The Council's well publicised desire to reduce their commercial property exposure has allowed us to provide a modern green building solution to a highly valued existing tenant."

105 Carlton Gore Road

This \$35 million development was completed recently and is targeting a 6 Green Star rating. Completion followed the interior finishes including integrated tenancy fitout on the ground floor, part Level 3 and all of Level 4. Argosy has secured additional commitments for further tenancies at 105 Carlton Gore Road.

Colgate Palmolive Limited has committed to a new six year lease for approximately 560m² on part of Level 3. The annual rental is \$360,000 including 22 car parks.

Instant Offices NZ Limited has committed to an eight year lease for 1,097m² on Level 2. The annual rental is \$678,000 including 40 car parks. The rent reviews are fixed at 3.0% per annum.

CEO Peter Mence said "We are pleased to have finalised these commitments taking the building to almost 80% leased. This now only leaves Level 1 remaining available for lease and there is some current interest in that floor."

8 Nugent Street

Argosy has also secured Fitness Portal on a new eight year lease term for approximately 1,350m² which commenced 1 August. The rent reviews are fixed at 3.0% with a market review on renewal. The initial annual rental is \$306,000 per annum.

"This is a great outcome for the space which very much lends itself to a health & wellness tenant given the location and existing fit-out, including pool facilities." said Peter Mence.

Green Star Certification

Argosy recently received 6 Green Star Office Built certification from the New Zealand Green Building Council (NZGBC) for its building at 8-14 Willis Street in Wellington. The accreditation means the building represents world leadership in terms of its quality. CEO Peter Mence said, "We are extremely proud to have delivered Wellington's first 6 Green Star Built office building. This certification goes to the very heart of our sustainability philosophy, and we will continue our strategy to redevelop our portfolio in sustainable manner to provide high quality healthy buildings, reduce our impact on the environment and support the delivery of sustainable cashflows and dividends to shareholders."