

NZX RELEASE

25 September 2023

Kiwi Property portfolio valuation update

Kiwi Property today released its draft valuations for the six months ending 30 September 2023, disclosing a preliminary 2.4% or \$77.1 million decrease in the fair value of its diversified property portfolio. The Company's mixed-use, office, retail and other properties are expected to be worth \$3.1 billion at the close of the period.

Kiwi Property Chief Executive Officer, Clive Mackenzie said: "New Zealand's high inflation, high interest rate environment has contributed to a widespread decline in property values over recent periods."

"While this is disappointing, we've continued to deliver an impressive operational performance, led by our mixed-use centres, such as Sylvia Park, LynnMall and The Base. Strong rental growth across these assets has offset softening capitalisation rates and helped mitigate the reduction in property values. It's also pleasing to see retail property valuations beginning to strengthen, suggesting mounting confidence in the sector after a challenging couple of years."

The draft valuations are expected to result in the following movements through the period.

- Mixed-use portfolio: -1.0% or -\$20.1 million, with strong rental growth partially offsetting capitalisation rate expansion of 17.2 basis points.
- Office portfolio: -5.8% or -\$50.8 million, reflecting headwinds in the office sector in New Zealand and offshore.
- Other properties: -1.7% or -\$2.3 million, driven by capitalisation rate softening.
- Overall investment portfolio: -2.4%, led by capitalisation rate expansion of 27.8 basis points.
- Net tangible asset backing per share: \$1.18, a reduction of 5 cents.

Kiwi Property's draft valuations have been determined by independent valuers and are subject to finalisation and external review by Kiwi Property's auditor, Deloitte. They will be confirmed in the Company's interim FY24 financial statements, scheduled for release on 27 November 2023.

ENDS

Note:

Full independent valuations have been performed for all investment properties other than The Base, Centre Place North, Sylvia Park Lifestyle, Resido Lynton (BTR1), Drury development land and other adjoining industrial assets within the Sylvia Park Precinct where desktop reviews were performed. The desktop reviews were completed by the same independent valuers who completed full independent valuations at 31 March 2023. No independent valuations were performed for the adjoining residential



properties within the Sylvia Park Precinct and a recently purchased adjoining industrial asset.

Contact us for further information:

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About us:

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. Kiwi Property is licensed under the Real Estate Agents Act 2008. To find out more, visit our website kp.co.nz