



Stride Property Group (NS)

NZX Announcement

17 August 2021

## Stride Property Group

### Industre Property Joint Venture Update

Stride Property Group (**Stride**) is pleased to provide an update on \$51.9 million of new acquisitions and committed developments in the Industre Property Joint Venture (**Industre**) portfolio subsequent to the reporting of FY21 annual results.

#### Acquisition

On 30 July 2021 Industre settled the acquisition of 8 Norman Spencer Drive, Papatoetoe, for a purchase price of \$25.9 million. The property is a 2.4 hectare site with low site coverage of approximately 13%. It is fully leased by Auckland Transportation Corporation Limited (NZ Bus) until January 2024 at an initial yield of 3.0%. The property is well located on the fringe of central Manukau with good connectivity to the motorway network which supports future redevelopment opportunities. This acquisition follows the successful settlement of 40-42 Wilkinson Road in April 2021 which was signalled in Stride's FY21 annual results.

#### Developments

Industre has committed to three developments on existing sites, with a total forecast spend of \$26.0 million and combined targeted yield on incremental cost of 7%, all of which will be funded via Industre's existing bank facilities. These developments include:

- 16 Wickham Street, Hamilton: Stage 2 of the Waste Management development, at a cost of \$4.3 million, with completion expected in January 2022. Stage 2 includes a 1,000 square metre extension to the consolidation shed to process green waste, together with the conversion of an existing vacant warehouse building to suit Waste Management's needs. Waste Management will lease Stage 2 for a term of 25 years from completion and the existing (Stage 1) lease will be extended to expire contemporaneously.
- 1 Ross Reid Place, East Tamaki: Development of a new industrial property on 2,977 square metres of surplus land at a cost of \$6.2 million, with completion expected in January 2023. The development will comprise a circa 1,500 square metre warehouse, together with supporting office, yards and carparks.
- 34 Airpark Drive, Mangere: Development of a new industrial facility at a cost of \$15.5 million, with completion expected in March 2023. The development will comprise a circa 5,100 square metre warehouse, together with supporting office, yards and carparks. This property was previously subject to a perpetually renewable ground lease which was terminated in June 2021. Industre has taken the opportunity to develop the site with a facility that is expected to generate significant tenant interest given its high-profile location near the airport.

While early in the marketing phase, Industrie is anticipating strong occupier demand for both of the new Auckland developments, underpinned by strong locational characteristics and continued low vacancy rates in the industrial sector.

Industrie also continues to advance its previously reported development at 439 Rosebank Road, with completion expected in August 2022.

### Portfolio

This recent activity continues to build on the strong growth of Industrie, with \$143 million of acquisitions now completed since commencement of operations on 1 July 2020. This takes the value of the Industrie portfolio to \$645 million (on a pro forma basis, based on 31 March 2021 valuations plus completed acquisitions), while the \$26.0 million of newly announced developments add to the pipeline of future growth.

Stride's joint venture partner, a group of international institutional investors through a special purpose vehicle and advised by J.P. Morgan Asset Management (together, **JPMAM**), has provided all of the equity funding for the acquisitions completed by Industrie since 31 March 2021 which has resulted in Stride's interest in Industrie reducing to 52.2% as at 30 July 2021.

### Ends

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*A Stapled Security of the Stride Property Group comprises one ordinary share in Stride Property Limited and one ordinary share in Stride Investment Management Limited. Under the terms of the constitution of each company, the shares in each can only be transferred if accompanied by a transfer of the same number of shares in the other.*

*Stapled Securities are quoted on the NZX Main Board under the ticker code SPG. Further information is available at [www.strideproperty.co.nz](http://www.strideproperty.co.nz) or at [www.nzx.com/companies/SPG](http://www.nzx.com/companies/SPG).*