

Dexus (ASX:DXS)

ASX release



20 October 2020

Dexus and HWPF acquire state-of-the-art healthcare development

Dexus and the Healthcare Wholesale Property Fund (HWPF) have exchanged contracts to acquire (in 50/50 co-ownership) the Australian Bragg Centre in Adelaide from Commercial & General.

The asset was acquired for a development completion price of \$446.2 million¹, making the transaction one of the largest single-asset private healthcare acquisitions in Australia.

The Australian Bragg Centre building (also known as SAHMRI 2) is a state-of-the-art clinical and research facility within Adelaide's \$3.6 billion BioMed City precinct, incorporating world-class facilities for cutting edge research by the South Australian Health and Medical Research Institute (SAHMRI) and lab and office space for SA Health and biomedical companies. The building will house Australia's first proton therapy unit specialising in next generation cancer treatment. The proton therapy unit will sit in a purpose-built bunker and be overseen by the clinical and research expertise of SAHMRI and is supported by Federal and State Government funding.

The building, which is currently under development, is 77% pre-leased to customers either backed or supported by the South Australian Government, with a weighted average lease expiry² of 21.9 years from completion in August 2023. The acquisition terms include a two-year rental guarantee provided by Commercial & General over the remaining space to be leased.

On completion, the Australian Bragg Centre will increase Dexus's group healthcare exposure to over \$1 billion and grow HWPF's portfolio to \$900 million.

Dexus CEO, Darren Steinberg said: "This transaction accelerates the growth of our funds management platform and is a step towards our goal of being a partner of choice in Australian healthcare property. It also increases Dexus's portfolio diversification, providing exposure to a sector with strong tailwinds."

Dexus Executive General Manager, Funds Management, Deborah Coakley said: "This is an exciting milestone for HWPF that secures a landmark, large-scale healthcare asset, diversifying the fund's portfolio of high-quality healthcare properties."

Commercial & General CEO, Trevor Cooke said: "This is a vote of confidence by the institutional market in the South Australian economy and the quality opportunities we continue to create. The Australian Bragg Centre is a transformational project that builds on our long-standing relationship with Dexus."

The transaction is expected to settle on 30 October 2020.

Authorised by Brett Cameron, General Counsel and Company Secretary of Dexus Funds Management Limited.

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1. The property will be acquired via a fund-through arrangement.
2. By income.

About Dexus

Dexus is one of Australia's leading real estate groups, managing a high quality Australian property portfolio valued at \$32.0 billion. We believe that the strength and quality of our relationships is central to our success and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$16.5 billion of office and industrial properties. We manage a further \$15.5 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$10.6 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.8 million square metres of office workspace across 51 properties, we are Australia's preferred office partner. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by 29,000 investors from 21 countries. With 36 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. www.dexus.com

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