

## ASX ANNOUNCEMENT

3 September 2018

**Announcement No. 11/18**  
**The Manager**  
**Corporate Announcements Office**  
**Australian Securities Exchange**

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### **2018 Market Rent Review Update**

ALE Property Group (ALE) today provides an update on the progress of the current market rent review in respect of 80 of its 86 properties. The remaining six properties have rent reviews in future years. Two of the properties' rents have already been agreed at an increase of 10%. The current year review will result in rents of the remaining 78 properties increasing or decreasing by up to 10%.

On 3rd August 2018, ALE issued rent notices to ALH advising of its proposed rent on the properties. It is ALE's position that the rent on all of those 78 properties should increase by 10%. ALH has disputed approximately half the rent notices and they contend that the rent on almost all of the disputed properties should decrease by 10%.

As previously advised, the rent review process for disputed properties detailed in the leases involves, firstly, a negotiation between ALE and ALH. Should this negotiation not result in an agreed rent for any individual property, the rent for that property will be determined by an independent expert.

ALE remains confident of a positive result across the properties under review. However ALE believes the difference between passing and market rents across the portfolio is not uniform, and therefore expects that not all properties may achieve the maximum 10% rental uplift.

- Ends -

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