

DEXUS Wholesale Property Fund

Media release

29 October 2013

DEXUS Wholesale Property Fund grows high quality industrial portfolio

DEXUS Wholesale Property Fund (DWPF) today announced the acquisition of 441 Nudgee Road, Hendra, Brisbane for a total consideration of \$27.4 million (excluding acquisition costs), reinforcing the Fund's commitment to Australian core industrial markets.

The 3.43 hectare estate at Hendra (known as Northport Business Park) comprises tenancies ranging in size from 108 square metres to 3,862 square metres. A cluster of five stand-alone properties provides quality integrated, multi-tenanted corporate accommodation for 18 tenants, and two mid-size buildings with a higher warehouse component accommodate long-standing anchor tenants Mountain Designs and Nick Scali.

Graham Pearson, DWPF Fund Manager said: "This property is an excellent fit with DWPF's industrial strategy to build a diversified portfolio of quality industrial buildings in core markets anchored in employment hubs with access to key infrastructure. With an attractive income yield, the property provides an opportunity to leverage DEXUS's industrial asset management capabilities and leasing expertise, generating valuation upside over the long-term.

"We are pleased that we have been able to acquire the property on favourable pricing terms in an off-market transaction. Acquired on an 8.5% capitalisation rate, the asset has an attractive initial yield, high occupancy of 91.3% and presents the opportunity for enhanced returns by extending the WALE and occupancy through proactive leasing."

Northport Business Park is strategically located in Brisbane's highly desirable Trade Coast industrial precinct, 18 kilometres from the Port of Brisbane, 7 kilometres from the airport and 9 kilometres from the Brisbane CBD. The business park is attractive to small businesses servicing the Brisbane metropolitan area and CBD and also benefits warehouse tenants through its proximity to Brisbane airport and the Port of Brisbane, as well as efficient access to the key arterial Gateway Motorway.

Graham Pearson said: "This acquisition further diversifies the industrial portfolio and provides additional exposure to one of the Fund's preferred industrial locations, complementing 34 Manton Street, Morningside also on the Trade Coast. This is a region that will benefit over the long-term from significant infrastructure investment including the Brisbane Airport upgrade and future port expansion at Fisherman Islands. We expect tenant demand for industrial property to remain strong from transport and logistics companies that are attracted to the Trade Coast's accessibility."

DWPF has been successfully building its industrial portfolio which represents 12.3% of the Fund's asset allocation and includes the recent industrial acquisitions at 4 Inglis Road, Ingleburn, Sydney; 34 Manton Street, Morningside, Brisbane; Sir Joseph Banks Corporate Park, Sydney and an industrial development site at 295 Archerfield Road, Richlands, Brisbane.

Graham Pearson said: "DWPF has also recently completed site works and is ready to commence the next stage of development at DRIVE Industrial Estate, Richlands, a premium 76,000 square metre industrial development located in one of Brisbane's established industrial precincts. Adopting a flexible design, and with excellent access to the arterial road network, port, airport and CBD, the \$77 million development will appeal to progressive logistics and warehousing companies as well as logistics, storage, and research and development businesses."



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About DWPF

DEXUS Wholesale Property Fund (DWPF) is an open-ended unlisted property fund with a \$4.3 billion diversified portfolio of high quality retail, office and industrial properties in key locations in Australia. DWPF has a Standard & Poor's A (Stable) rating and is supported by over 44 Australian and international wholesale investors. DWPF has outperformed its benchmark, the Mercer IPD Unlisted Property Fund Index over the last one, three and five year periods. DWPF is managed by DEXUS, one of Australia's leading real estate groups with over \$13 billion assets under management. www.dexus.com

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