

# DEXUS Wholesale Property Fund

## Media release

15 January 2014

### DEXUS Wholesale Property Fund acquires Brisbane office tower

DEXUS Wholesale Property Fund (DWPF or the Fund) today announced the acquisition of "AM60" at 42-60 Albert Street, Brisbane, Queensland for a total consideration of \$161.3 million (excluding acquisition costs), enhancing the Fund's portfolio diversity.

AM60 is a modern, A-grade commercial office tower comprising 21,263 square metres of office and retail space over 21 levels, with basement parking for 120 vehicles. The property is 100% leased to high-calibre tenants including anchor tenant, Worley Parsons. Features including large, efficient floor plates with excellent natural light, views over the Botanic Gardens and the Brisbane River, combined with a 5 star NABERS Energy rating, ensure high tenant appeal.

DWPF Fund Manager, Graham Pearson said: "Representing a core investment opportunity, AM60 is an important addition to DWPF's \$2 billion<sup>1</sup> office portfolio. This acquisition is in line with DWPF's strategy of investing in high quality office properties which are well located in key Australian CBD office markets and with attractive financial metrics."

AM60 was acquired on an attractive initial yield of 9.1%. The property has a weighted average lease expiry (WALE) of 4.3 years<sup>2</sup> and no major expiries until August 2017, mitigating any short term weakness in the Brisbane office leasing market.

This acquisition will increase the Fund's allocation to the Brisbane CBD, improving the office portfolio's geographic diversity in a market with limited near term supply and significant growth potential over the medium to long term. Located within the Midtown precinct of the Brisbane CBD, AM60 is set to benefit from nearby major development projects including the office tower at 1 William Street and the proposed underground bus and rail network via a new George Street train station. This acquisition complements the Fund's existing investments which are located in Brisbane's 'Golden Triangle' commercial precinct.

Graham Pearson said: "There is an opportunity to enhance the value of this property through active asset management and further improve the WALE. With minimal capital expenditure requirements, there is also the opportunity to undertake enhancements to the foyer and retail space."

The acquisition of AM60 follows an active period for DWPF with the Fund acquiring over \$1 billion of office, retail and industrial properties<sup>3</sup>, and raising over \$900 million of equity from existing and new investors since June 2012. Recently in December 2013, DWPF acquired Beenleigh Marketplace Shopping Centre in Queensland and two industrial properties on the Brisbane Trade Coast.

Total assets under management for the Fund will increase to \$4.8 billion post completion of the acquisition, with DWPF outperforming its benchmark, the Mercer IPD Unlisted Property Fund Index, with top quartile performance over the past three and five years<sup>4</sup>.

DWPF will initially use debt to fund the acquisition but is expected to launch an offer for \$350 million of new equity later this month which will reduce debt drawn for recent acquisitions. Settlement is expected to occur on 31 January 2014.

1. Value of DWPF office portfolio post AM60 acquisition.  
2. By income as at 1 January 2014.  
3. Including fund through acquisitions.  
4. As at 31 December 2013.

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### About DWPF

DEXUS Wholesale Property Fund (DWPF) is an open-ended unlisted property fund with a \$4.8 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, with top quartile performance over the past three and five years. DWPF is managed by DEXUS, one of Australia's leading real estate groups with over \$13 billion assets under management. [www.dexus.com](http://www.dexus.com)

DEXUS Wholesale Property Limited ABN 47 006 036 442, AFSL 238166, as Responsible Entity for DEXUS Wholesale Property Fund

### About DEXUS

DEXUS Property Group (DEXUS) is one of Australia's leading real estate groups, investing directly in high quality Australian office and industrial properties. With over \$13 billion of assets under management, DEXUS also actively manages office, industrial and retail properties located in key Australian markets on behalf of third party capital partners. DEXUS has an office portfolio of over 900,000 square metres across Sydney, Melbourne, Brisbane and Perth, and is one of the largest institutional owners of office buildings in the Sydney CBD, Australia's largest office market. DEXUS is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange under the stock market trading code 'DXS' and is supported by more than 19,000 investors from 19 countries. With over 25 years of experience in commercial property investment, development and asset management, DEXUS has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns to investors. [www.dexus.com](http://www.dexus.com)

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