

Dexus

Media Release



3 November 2021

Dexus Real Estate Partnership 1 secures initial investments

Dexus today announced that it has secured the first three investments for Dexus Real Estate Partnership 1 (DREP1 or the Fund).

DREP1 is the first in a series of closed-ended opportunity funds that seek to provide wholesale investors with an enhanced return via exposure to investments in value-add, development and credit opportunities.

The investments include an office development in Richmond, Victoria; an industrial development at 149 Orchard Road, Chester Hill, NSW in 50/50 co-investment with Dexus; and a circa \$70 million senior construction finance facility in 50/50 co-investment with Solido Capital.

Richmond is a circa 1,500 square metre development site with plans for Dexus to manage the development of a circa 10,000 square metre A-Grade office building, which is expected to be completed in 2024. Dexus has strong conviction in the fringe office market of Richmond, which forms part of Melbourne's creative, tech and innovation precinct. The acquisition is conditional upon the vendor securing a planning permit, with the planning application submitted. Consistent with the Fund's trading approach, it is anticipated that the asset will be sold by the Fund.

Chester Hill is a rare and strategic 3.8 hectare infill land parcel in Western Sydney's Chester Hill and unlocks the opportunity for Dexus to develop a circa 20,000 square metre small unit industrial estate. The development is positioned to benefit from increased demand for last mile, e-commerce focused warehousing and is targeting completion in 2023. The acquisition is subject to a put and call option which is expected to be exercised in mid-2022.

The **senior finance facility** is provided by the Fund for the construction of a permit-approved mixed use development project in Elsternwick, Victoria. The project is primarily residential, comprising 99 apartments, four retail suites and three office suites, with construction having commenced. Solido Capital originated the opportunity and is the facility agent. This initial joint investment between the Fund and Solido Capital provides the opportunity to co-invest with an experienced non-bank provider of credit for residential property development projects and includes potential access to further credit deal flow.

Dexus CEO, Darren Steinberg said: "The acquisition of these investments demonstrates Dexus's appetite to originate and secure return-enhancing opportunities for DREP1, including investing throughout the capital structure. Our funds continue to benefit from leveraging our full service platform, originating new opportunities to deliver enhanced returns."

Deborah Coakley, Executive General Manager, Funds Management said: "These investments have the potential to provide the Fund with attractive risk adjusted returns from return-enhancing opportunities our DREP1 investors are seeking. The Fund continues to attract strong investor interest and we look forward to delivering future opportunities."

– ENDS –

For media enquiries, please contact:

Louise Murray
Senior Manager, Communications
+61 2 9017 1446
+61 403 260 754
louise.murray@dexus.com

About Dexus

Dexus (ASX: DXS) is one of Australia's leading fully integrated real estate groups, managing a high-quality Australian property portfolio valued at \$42.5 billion. We believe that the strength and quality of our relationships will always be 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 \$17.5 billion of office, industrial and healthcare properties. We manage a further \$25.0 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$14.6 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. Sustainability is integrated across our business, and our sustainability approach is the lens we use to manage emerging ESG risks and opportunities for all our stakeholders. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange and is supported by more than 30,000 investors from 23 countries. With over 35 years of expertise in property investment, funds management, asset management and development, we have a proven track record in capital and risk management, and delivering superior risk-adjusted returns for investors. www.dexus.com

