

Cromwell Property Group Re-acquires Bundall Corporate Centre

Cromwell Property Group (ASX code: CMW) today announced that it has entered into an arrangement to purchase the iconic Bundall Corporate Centre on the Gold Coast at a price of \$63.4 million.

Cromwell Property Group originally purchased the asset, then known as Corporate Centre One, for \$52.9 million in December 2005 and sold the asset in October 2007 for \$106 million. Since the sale of the property in 2007, the property has been further improved by the development of an additional building, the Wyndham Corporate Centre, a 5 star Green Star rated building with a net lettable area of approximately 8,000m².

The net passing income of the property across both buildings is currently approximately \$7.4 million and the property has a combined lettable area of 20,565m² and a weighted average lease expiry period of 5.2 years. The property is currently approximately 83% occupied and the estimated fully leased net income is \$9.5 million. Bundall Corporate Centre includes a total land area of 26,821m², approximately two thirds of which is currently being used as car parking and provides opportunity for further substantial development over time for a range of commercial and residential uses.

CEO Paul Weightman said that "Whilst this is an opportunistic acquisition, the transaction is a further vote of confidence by Cromwell in the South East Queensland market in general and the Gold Coast in particular. Whilst the Gold Coast has been the subject of negative sentiment we believe that there is substantial upside in that market and confidence is beginning to return. We know the property, having previously owned and managed it, and we are happy to be taking it back into our portfolio."

The acquisition will be funded by a new debt facility specific to the asset and an existing available and undrawn facility.

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