

ASX ANNOUNCEMENT GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

14 October 2014

Further office leasing success in Brisbane

Growthpoint Properties Australia (“**Growthpoint**”) is pleased to announce the execution of three new leases at its A4 and CB1 Buildings in South Brisbane and 333 Ann Street in Brisbane.

Key details of the three new leases:

Building	A4, 52 Merivale Street, South Brisbane	CB1, 22 Cordelia Street, South Brisbane	333 Ann Street, Brisbane
Premises	Part Level 6	Level 1	Level 8
Tenant	Urban Circus Pty Ltd	Integrated Clinical Oncology Network Pty Ltd	Everyday Hero Pty Ltd
Area	622 m ²	1,395 m ²	867 m ²
Lease term	6 years	8 years and 7 months	5 years
Commencement date	November 2014	October 2014	January 2015
Renewal options	1 x 5 years	1 x 5 years	1 x 5 years
Rent(per m² per annum)	\$560 gross	\$550 gross	\$489 net
Fixed annual rent increases	4.00%	3.75%	3.50%

Incentives for these leases were at or below market and have been taken as a mixture of rental abatement and fit-out costs. The leases were conducted via leasing agents.

As a result of the above leases, the lease renewal at 12-16 Butler Boulevard, South Australia announced to the ASX on 25 September 2014 and the sale of 42-44 Garden Street, Kilsyth announced to the ASX on 30 September 2014 and due to complete on 31 October 2014, Growthpoint’s weighted average lease expiry (“**WALE**”) at 31 October 2014 will be 6.7 years. In addition, Growthpoint has only 4% of leases¹ expiring during this financial year, down from 5% at 30 June 2014, and only 9% of Growthpoint’s total portfolio¹ is vacant or will potentially expire over the next two financial years.

Growthpoint completed the acquisition of the CB1 and CB2 Buildings at SW1, South Brisbane in February 2012. Since acquisition, Growthpoint has focussed on increasing face rents and extending the WALE. As a result of these efforts, the WALE has been extended from 2.4 years to 7.5 years for CB1 and from 4.1 years to 8.8 years for CB2 and the gross face rents have increased by 10.1% for CB1 and 12.3% for CB2.

Growthpoint’s Managing Director, Timothy Collyer, said:

“Since July 2013, Growthpoint has leased approximately 22,300 m² of office space in the Brisbane market, representing 33% of its Brisbane office portfolio of 67,241 m². The Growthpoint Brisbane office portfolio enjoys a weighted average lease expiry or WALE of 5.8 years and a current occupancy of 94%. Whilst Brisbane is a challenging office market, Growthpoint’s quality A-Grade buildings have met with good tenant demand and we have taken a pro-active and pragmatic approach to leasing.

With a WALE of 7.0 years and providing approximately \$1.5 million in additional annual revenue² growing by 3.5% to 4.0% per year, these three leases evidence Growthpoint’s focus on increasing revenue, extending the WALE and, ultimately, growing distributions to security holders.”

¹ By rental income.

² Before incentives and agents’ fees

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Growthpoint Properties Australia

Growthpoint Properties Australia is a publicly traded ASX listed A-REIT (ASX Code: GOZ) that specialises in the ownership and management of quality investment property. Growthpoint owns interests in a diversified portfolio of 51 office and industrial properties throughout Australia valued at approximately \$2.1 billion and has an investment mandate to invest in office, industrial and retail property sectors.

In August 2014, Growthpoint announced that Moody's had issued it with an investment grade rating of Baa2 for senior secured debt.

On 19 September 2014, GOZ was added to the S&P/ASX 300 index.

Growthpoint aims to grow its portfolio over time and diversify its property investment by asset class, geography and tenant exposure through individual property acquisitions, portfolio transactions and corporate activity (M&A transactions) as opportunities arise.