



ASX Announcement

15 September 2016

New Funds Management Initiative

Elanor Investors Group (“ENN”) is pleased to announce that it has exchanged contracts to acquire 34 Corporate Drive, Cannon Hill, Qld. The asset will feature as one of the foundation investments for the Elanor Commercial Property Fund (“ECPF” or “Fund”).

34 Corporate Drive is a high quality, modern commercial asset with a net lettable area of 5,313 square metres and 164 car spaces. The property, which sits on a 12,930 square metre site, is 100% leased to multi-national tenants Optus (owned by Singapore Stock Exchange-listed SingTel), and Kaelus (owned by the London Stock Exchange-listed Smiths Company, an international engineering firm). The Weighted Average Lease Expiry (WALE) of the asset is approximately 4.4 years.

The property is strategically located 6 kilometres from Brisbane’s CBD and features excellent access to public transport. The property is within Southgate Corporate Park where other major corporate occupiers include NAB, Isuzu, Orica, WorkCover, 2GB Radio (Fairfax), Holden and Compass.

34 Corporate Drive will be acquired for a purchase price of \$20.4 million, reflecting an initial yield of 8.25% per annum. Settlement is scheduled to occur in November 2016.

ENN CEO, Glenn Willis, said: “We are very pleased to have secured 34 Corporate Drive as one of our cornerstone assets for the ECPF. We believe the asset represents a quality investment opportunity for Elanor and our capital partners.”

ENN’s Director, Real Estate, Sebastian Ugarte, added: “34 Corporate Drive is strategically located in an office precinct with strong tenant demand fundamentals. The asset offers the potential for strong investment returns given the lease expiry profile and the quality of the tenants.”

The acquisition increases ENN’s owned and managed assets to approximately \$693 million. ENN is also expecting to exchange contracts shortly on the acquisition of an additional asset for ECPF, valued at approximately \$30 million. Furthermore, ENN is actively pursuing other asset acquisition opportunities for ECPF both on and off market.

The initial gearing of the Fund will be 50% of the asset valuations.

Consistent with its strategy of aligning interests with investors, ENN will subscribe for a co-investment of up to 20% of the Fund’s initial equity.

The management fees payable to ENN as manager of the Fund are consistent with other ENN managed funds.

ENDS.

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