

16 June 2017

## ASX ANNOUNCEMENT

### June 2017 Property Valuations

SCA Property Group (ASX: SCP) ("SCP") announces the results of its property valuations as at June 2017.

Nineteen of the properties from December 2016 were independently valued in Australia. In addition the two properties acquired after December 2016 were also independently valued. The remaining 53 properties were internally valued.

Overall the total portfolio capitalisation rate improved by 14 bps to 6.48% at June 2017 (from 6.62% at Dec 2016), and the total value of investment properties increased by \$116.9m to \$2,318.3m. The components of this increase were:

- Like-for-like Australian properties valuation increased by \$80.5m. Of this, \$15.7m is capitalised development costs at Kwinana (\$10.5m) and Bushland Beach (\$5.2m);
- Acquisitions completed during the period added \$83.8m, being Clemton Park (acquired for \$48.0m) and Mudgeeraba Market (\$35.8m). The independent valuation of Clemton Park resulted in a further \$7.5m uplift in the valuation of that property (to \$55.5m); and
- Disposals completed during the period subtracted \$54.9m<sup>1</sup> being the sale of Katoomba Marketplace (\$44.7m) and Mittagong Village (\$10.2m) to the SURF 2 retail fund.

Investment Property Portfolio Valuation	A\$m
<b>December 2016 Portfolio Valuation</b>	<b>2,201.4</b>
- Add: Acquisitions & disposals completed during the period at cost	28.9
- Add: Acquisitions & disposals valuation increase	7.5
- Add: Valuation increase 'like for like' properties	80.5
<b>June 2017 Portfolio Valuation</b>	<b>2,318.3</b>
<b>Valuation Weighted Average Capitalisation Rates:</b>	
- December 2016 % rate	6.62%
- June 2017 % rate	6.48%

<sup>1</sup> Divestment of \$54.9m is the contract price of \$55.1m less the rental guarantee of \$0.2m

Details of portfolio movements, including a comparison of independent and internal valuations, are set out in the table below:

Independent vs. Internal Valuations	A\$m
<b>Independent Values:</b>	
- Number	19
- % of portfolio by book value	26.0%
- <b>Change in Valuation (\$m)</b>	<b>23.7</b>
- Change in WACR	-0.20%
<b>Internal Values:</b>	
- Number	53
- % of portfolio by book value	70.1%
- <b>Change in Valuation (\$m)</b>	<b>56.8</b>
- Change in WACR	-0.07%
<b>Acquisitions and Disposals:</b>	
- Number of Acquired Properties	2
- Number of Disposed Properties	2
- Acquisitions % of portfolio by book value	3.9%
- Cost of Acquisitions (\$m)	83.8
- Consideration for Disposals (\$m)	(54.9)
- Valuation gain/loss on Acquisitions and Disposals (\$m)	7.5
- <b>Valuation (\$m)</b>	<b>36.4</b>
<b>Total:</b>	
- Number of Properties	74
- <b>Change in Valuation (\$m)</b>	<b>116.9</b>
- Change in WACR	-0.14%

For financial reporting purposes, the impact of these valuation increases on net tangible assets will be reduced by stamp duty paid on the acquisitions during the half year, the value of improvements made to the properties, lessor works, tenant incentives and straight-lining.

**ENDS**

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