

ASX ANNOUNCEMENT

23 September 2019

## Acquisition of 7-Eleven Maroochydore

APN Convenience Retail REIT (**AQR** or the **Fund**) is pleased to announce that it has agreed to acquire 7-Eleven Maroochydore, Queensland for \$6.85 million, representing a purchase yield of 6.6%. 7-Eleven Maroochydore is strategically positioned on Maroochydore's major arterial road linking the town centre to the southern beaches with 85% of the rental income derived from 7-Eleven, and the remainder derived from a longstanding automotive servicing group, Auto Leaders.

The existing lease with 7-Eleven has 3.8 years remaining however as part of this transaction, 7-Eleven has agreed to enter into a brand new 12 year lease, resulting in a property WALE of 10.7 years.

AQR Fund Manager, Chris Brockett said: "We are thrilled with the acquisition of 7-Eleven Maroochydore. This acquisition represents an outstanding opportunity to own a high profile corner site on a major arterial road underpinned by one of Australia's most successful convenience retailers, 7-Eleven, who have agreed to a new 12 year lease with fixed 3% annual rental increases. The property not only benefits from over 20,000 passing cars per day but also from a favorable "Principal Centre" zoning allowing major residential, commercial and retail uses, giving flexibility in the future and providing the asset with strong long-term security."

Following settlement of 7-Eleven Maroochydore, which is expected to occur before the end of October 2019, AQR's portfolio will comprise 69 properties valued at \$360.5 million, reflecting a weighted average capitalisation rate of 7.0% and a portfolio WALE of 11.3 years. AQR's gearing will be 33.5% and there is no change to previously advised FY2020 distribution guidance of 21.8 cents per security and FFO guidance of 22.3 – 22.5 cents per security.

The Fund is also pleased to announce the sale of three Puma tenanted sites at D'Aguilar, Wacol and Wynnum, collectively for \$9.8 million and the acquisition of Coles Express Ayr for \$4.74 million have now settled.

**ENDS**

For further information, please contact:

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**About APN Convenience Retail REIT**

APN Convenience Retail REIT (ASX code: AQR) is a listed Australian real estate investment trust which owns high quality Australian service stations and convenience retail assets. The Fund's portfolio of 69 properties valued at approximately \$360 million, is predominantly located on Australia's eastern seaboard and is leased to leading Australian and international convenience retail tenants. The portfolio provides a long lease expiry profile and contracted annual rent increases delivering the Fund a sustainable and strong level of income security. Convenience Retail has a target gearing range of 25 – 40% as part of its conservative approach to capital management.

APN Convenience Retail REIT is governed by an Independent Board of Directors and is managed by APN Property Group, a specialist real estate investment manager established in 1996 with approximately \$2.9 billion in assets under management.

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