



ASX Announcement.

GROWTHPOINT
PROPERTIES



23 December 2019

Growthpoint Properties Australia (ASX:GOZ) announces significant lease

Growthpoint Properties Australia (**Growthpoint**) is pleased to announce that it has entered into a new 25-year lease with the New South Wales Police Force (**NSWPF**) commencing 1 January 2020. NSWPF occupy 32,356 square metres of A-grade office space and 444 car spaces at the Curtis Cheng Centre, 1 Charles Street, Parramatta, NSW (**NSWPF headquarters**). The new lease will replace the current lease which was due to expire in May 2024.

The NSWPF are Growthpoint's largest single tenant. Approximately 8% of Growthpoint's income is derived from their lease. Under the new lease, the commencing annual rent will be approximately \$21.1 million (excluding GST) and the rental income will continue to escalate by 3.5% per annum.¹ The new 25-year lease will increase Growthpoint's pro-forma portfolio weighted average lease expiry (**WALE**) from 4.9 years as at 30 September 2019 to 6.5 years.

As part of the new lease arrangements, Growthpoint has entered into a Refurbishment Works Deed with NSWPF. Growthpoint expects to fund \$44 million of works to enhance the NSWPF headquarters, which the NSWPF plan to undertake over the next few years.² The works may include a new office fitout, as well as upgrading the existing bathrooms and base building services.

Due to the new lease, the property's value is expected to increase to \$420 million, 19% higher than its June 2019 book value and 74% higher than its June 2014 purchase price of \$241 million. The positive pro-forma impact on net tangible assets (**NTA**) is 8.7 cents per security.³

The new lease arrangements do not change Growthpoint's FY20 guidance.

Timothy Collyer, Growthpoint's Managing Director, commented, "We are delighted to have agreed a new 25-year lease with the NSW Police, building on our existing relationship. Over the last five and a half years, we have gained an understanding of NSWPF's occupational needs and by working closely together, we have been able to tailor a solution to ensure the facility meets their needs now and into the future.

We were one of the early movers to enter the Parramatta office market, as we could see its potential to become Sydney's second CBD. The outlook for Parramatta remains positive and we are pleased to have consolidated our position in this growing market."

Growthpoint and the NSWPF Property Group negotiated the new lease directly.

This announcement was authorised by Timothy Collyer, Managing Director of Growthpoint.

Jacqueline Jovanovski
Company Secretary

¹ Except in 2024, when the existing lease was due to expire. In 2024, the rental escalation will be 0%.

² If the NSWPF does not spend all of the \$44 million on refurbishment works, the balance will be provided as a rent abatement spread over the remaining lease term.

³ Pro-forma NTA divided by 771.78 million securities on issue.



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Growthpoint Properties Australia is a publicly traded ASX listed A-REIT (ASX: GOZ) that specialises in the ownership and management of quality investment property. Growthpoint owns interests in a diversified portfolio of 58 office and industrial properties throughout Australia valued at approximately \$4.0 billion and has an investment mandate to invest in office, industrial and retail property sectors.

Growthpoint is included in the S&P/ASX 200 Index and has been issued with an investment grade rating of Baa2 for senior secured debt by Moody's.

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.