

ASX Release

Charter Hall secures multi national tenant customer to anchor new \$750 million office project at 555 Collins Street, Melbourne

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Charter Hall Group (ASX:CHC) (Charter Hall or the Group) has today announced that its flagship office fund CPOF has agreed a pre-lease from a leading global technology company as the anchor tenant customer for its new \$750 million '555 Collins Street' office development, which will now commence construction having completed demolition during 2020.

The "555" project will comprise the corner 48,000sqm tower as Stage 1, with the Stage 2 Tower comprising 32,000sqm. The 48,000sqm of Premium Grade office space will include over 2,300sqm of retail amenity. The project secured planning approval from the Victorian State Government under its Building Recovery Taskforce earlier in the year. Accommodating up to 7,500 CBD workers, the buildings will provide a future-proofed workplace that will empower tenants and their staff to work in their own authentic way, supported with world-leading tech-enabled environments and health and wellness facilities.

Onsite works are already underway for 555 Collins Street's first tower with Charter Hall confirming Lendlease Constructions as the construction partner, following their completion of the successful "Wesley" 130 Lonsdale Street, a 60,000sqm premium grade office tower completed in June 2020.

Charter Hall's Managing Director and Group CEO, David Harrison said: "This major pre-commitment provides the momentum for CPOF to proceed with construction and advance further leasing interest during the development phase, as we did on the Wesley project, which was 100% pre committed 12 months before practical completion.

"555 Collins Street is a visionary commercial precinct that will create a new benchmark for office development in Australia. We expect a flight to high quality modern office buildings as tenant customers refine their workplace to meet the changing appetite for modern, technology and health/hygiene driven accommodation requirements" said Mr Harrison.

Victorian Treasurer Tim Pallas said projects like 555 Collins Street would drive economic activity in the inner-city. It was one of a raft of major projects to be fast tracked through the *Building Victoria Recovery Taskforce* established by the Andrews Labor Government in April to get building and development projects online as quickly as possible during the pandemic.

"This is exactly what Melbourne's CBD – and our economy – needs right now: a project that will bring to life this end of town and create hundreds of construction jobs. Victoria was the strongest economy in the country before the pandemic and with investments like these in the pipeline, we're confident we'll come back even better and stronger."

Melbourne Lord Mayor Sally Capp said the \$750 million first stage of the \$1.5 billion 555 Collins Street project was a huge vote of confidence in the future of the city's economy.

"Charter Hall's development will create 1,500 construction jobs now and it also shows there is a strong belief in the strength of the city's economic recovery.

“The city’s economy is beginning its recovery from COVID-19 but city businesses are still doing it tough. This is a project that we want to be a catalyst for further investment and new jobs in our city,” said the Lord Mayor.

The announcement follows the successful completion of the \$830 million 130 Lonsdale Street, part of the transformative Wesley Place precinct. Charter Hall is also proceeding with construction of the \$390 million fit-for-purpose tower for Australian Federal Police at 140 Lonsdale Street, and the refurbishment and expansion of the \$300 million 150 Lonsdale Street building at Wesley Place. The completed Wesley precinct will comprise a \$1.55 billion showcase of how precinct projects can successfully transform CBD locations. We expect the “555 Collins Street” precinct twin tower development to be another transformative precinct within the CBD.

Charter Hall Office CEO, Carmel Hourigan said “With 555 Collins Street and our other major office developments under way across Australia, our office committed developments total \$1.8 billion WIP, which adds to the delivery of \$10 billion in new office buildings during Charter Hall’s history.

“We partner with some of the largest global and domestic corporations, across a variety of growing sectors including technology, government and education. We are delighted that we have secured one of the world’s leading technology companies to 555 Collins Street and look forward to this new Premium grade Collins Street tower attracting further office customers.”

555 Collins Street is the result of a unique collaboration between Charter Hall as the owner and developer, Cox Architecture and global design practice, Gensler. With a prestigious Collins Street address, the building’s design centres around the human experience, with particular attention to social, collaborative and creative experiences. Encouraging building users to work their way, 555 Collins Street’s environments will support choice, engagement and flexibility as workplaces are reimagined post COVID-19.

In response to the ongoing COVID-19 environment, 555 Collins Street will leverage next generation health and hygiene technology and design. Bathrooms will be a touch-free environment, leveraging sensor technology for access and use. Heating, ventilation and air-conditioning systems will closely monitor air quality and contamination, while ultraviolet sanitisers will be available on escalators and in bathrooms.

Additional technology integrations will include touchless amenity that goes further, allowing users to access the building, call a lift to their specific floor or order and pay for their daily coffee using Charter Hall’s Charli app on their smartphone.

555 Collins Street is owned by the Charter Hall Prime Office Fund (CPOF), which on completion of its current development pipeline will grow to an \$8 billion office portfolio. With a market leading WALE of 8 plus years, the fund has a high-quality institutional investor register comprising Australian superannuation funds and global pension funds, insurance companies and Sovereign Wealth Funds.

Charter Hall was advised by James Palmer from JLL in relation to the lease.

Announcement Authorised by the Chair and CEO.

-Ends-

About 555 Collins Street

555 Collins Street’s tenant customers will have access to a Wellness Centre complemented by hotel-style premium End of Trip facilities. Charter Hall has also ensured curated flexible and adaptive third spaces throughout the precinct that can be used as an extension of work and social environments, with the development including a ‘Market Hall’ for tenant activations and events. 555 Collins Street’s ground plane will complement and enhance the existing amenity of the CBD’s Mid Town. The ground level retail will offer convenience retail including allied health services and a diverse range of food and beverage options, from cafes to a signature restaurant.

Aiming to minimise impact on the environment and create a healthy environment for building occupants, 555 Collins Street will target a variety of sustainability measures including becoming carbon neutral by 2030, a 5.5-Star NABERS, 6-Star Green Star rating and registration to pursue WELL Platinum certification. The project will also target a WiredScore accreditation, Australia’s first official benchmark for digital connectivity in the workplace.

The precinct is located just minutes from bus and tram lines, as well as Southern Cross Station, providing unrivalled access to public transport connections, in addition to exclusive on-site parking.

Charter Hall Group (ASX: CHC)

With over 29 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors - office, industrial & logistics, retail and social infrastructure.

Operating with prudence, we've carefully curated a \$43.4 billion plus diverse portfolio of over 1,300 high quality, long leased properties. Partnership and financial discipline are at the heart of our approach. Acting in the best interest of customers and communities, we combine insight and inventiveness to unlock hidden value. Taking a long term view, our \$6.8 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with superior returns for a better retirement, we're powered by the drive to go further.

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