

Dexus (ASX: DXS)

ASX release



23 June 2021

Values increase across Dexus property portfolio

Dexus today announced that 117 of its 128 assets, comprising 41 office properties, 75 industrial properties and one healthcare property have been externally valued as at 30 June 2021.

The external independent valuations have resulted in a total estimated increase of circa \$362 million or 2.3% on prior book values¹ for the six months to 30 June 2021.

Darren Steinberg, Dexus CEO said: "The latest independent valuations reinforce the quality of our property portfolio. We have had a consistent focus on improving the portfolio quality via leasing, acquisitions, divestments and developments and that, combined with continued investment demand, contributed to the consistent growth in underlying asset values. Amongst global investors Australia continues to be a highly attractive investment destination and we expect continued strength in investment demand for quality assets in the year ahead."

The value of the office portfolio increased marginally on the back of a number of recent leasing deals, improving conditions in the leasing market and cap rate compression on some longer WALE assets. The industrial portfolio increased circa 9.8% on prior book values, with cap rates and discount rates firming, occupancy rates remaining high, and several development projects being completed.

The valuation result to 30 June 2021 followed the portfolio valuation uplift of \$160.8 million recorded in the six months to 31 December 2020.

The weighted average capitalisation rate across the total portfolio tightened circa 10 basis points over the past six months from 5.01% at 31 December 2020 to 4.91% at 30 June 2021. The weighted average capitalisation rate of the office portfolio tightened circa four basis points from 4.95% at 31 December 2020 to 4.91% at 30 June 2021 and the industrial portfolio weighted average capitalisation rate tightened circa 44 basis points from 5.36% at 31 December 2020 to 4.92% at 30 June 2021.

Details relating to specific individual property valuations will be available in Dexus's 2021 annual results which will be released on Tuesday, 17 August 2021.

Authorised by the Board of Dexus Funds Management Limited.

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About Dexus

Dexus is one of Australia's leading real estate groups, managing a high-quality Australian property portfolio valued at \$36.5 billion. We believe that the strength and quality of our relationships will always be central to our success and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$15.5 billion of office, industrial and healthcare properties. We manage a further \$21.0 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$11.5 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by more than 29,000 investors from 24 countries. With 36 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. www.dexus.com

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)
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1. Excluding Grosvenor Place, Sydney and 60 Miller Street, North Sydney following the announcement of the sale of these assets during FY21.