Dexus (ASX: DXS)

ASX release



17 December 2021

Strong investment demand supports industrial valuation uplift

Dexus today announced that 124 of its 189¹ assets, comprising 34 office properties, 89 industrial properties and one healthcare property have been externally valued as at 31 December 2021.

The external independent valuations have resulted in a total estimated increase of circa \$421 million² or 2.4% on prior book values for the six months to 31 December 2021.

Darren Steinberg, Dexus CEO said: "As evidenced by these latest independent valuations, the value of Dexus's quality portfolio has remained robust in a COVID-impacted environment. We have continued to see growth in asset values for well-located industrial and logistics facilities, supported by strong investment demand.

"We anticipate the post-lockdown environment will continue to see global capital attracted to Australia, benefiting quality assets across the core property sectors."

The value of the office portfolio increased circa 0.6% on prior book values on the back of recent leasing success. The industrial portfolio increased circa 8.7% on prior book values, with cap rates continuing to tighten driven by the strong demand for high quality industrial property.

The weighted average capitalisation rate across the total portfolio tightened circa 15 basis points over the past six months from 4.91% at 30 June 2021 to 4.76% at 31 December 2021. The weighted average capitalisation rate of the office portfolio tightened circa six basis points from 4.91% at 30 June 2021 to 4.85% at 31 December 2021 and the industrial portfolio weighted average capitalisation rate tightened circa 50 basis points from 4.92% at 30 June 2021 to 4.42% at 31 December 2021.

Details relating to specific individual property valuations will be available in Dexus's 2022 half year results which will be released to the Australian Securities Exchange on Tuesday, 15 February 2022.

Authorised by the Board of Dexus Funds Management Limited.

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About Dexus

Dexus (ASX: DXS) is one of Australia's leading fully integrated real estate groups, managing a high-quality Australian property portfolio valued at \$42.5 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 \$17.5 billion of office, industrial and healthcare properties, and investments. We manage a further \$25.0 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$15.4 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. Sustainability is integrated across our business, and our sustainability approach is the lens we use to manage emerging ESG risks and opportunities for all our stakeholders. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange and is supported by more than 30,000 investors from 23 countries. With over 35 years of expertise in property investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering superior risk-adjusted returns for investors.

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS) Level 25, 264 George Street, Sydney NSW 2000

¹ Including Jandakot Airport which comprises 51 assets.

² Includes assets held for sale at sale price.