

# Dexus Convenience Retail REIT (ASX:DXC)

## ASX release

25 February 2022

### Acquisition of Glass House Mountains Dual Service Centre, QLD

Dexus Convenience Retail REIT (DXC) announces that it has exchanged contracts to acquire Glass House Mountains Dual Service Centre, QLD for \$21.25 million (excluding transaction costs), representing a purchase yield of 4.9%.

Glass House Mountains Dual Service Centre comprises two well established properties across a combined site area of 24,769 square metres, with current site coverage of 21%. The properties occupy prime high exposure locations on either side of the Bruce Highway within the Sunshine Coast region and benefit from over 27,000 cars passing daily.

Both properties are anchored by high-performing Shell service stations with drive-thru Hungry Jack's restaurants, representing 75% of gross income. In addition, the southbound property comprises a McDonald's restaurant with drive-thru, Subway, Beefy's Pies and two local convenience retailers. The combined occupancy of the properties is 91%.

The properties are also set to benefit from a proposed Surf Park adjoining the northbound site which obtained council development approval in December 2021. Additionally, the properties' substantial land holdings and strong economic growth in the region also provide significant redevelopment and value-add opportunities. The development process to reposition the existing service stations and expand the retail offerings at each property has already commenced.

Chris Brockett, DXC Fund Manager, said: "This is a unique opportunity to acquire high-performing, prominent dual highway sites which reinforces our disciplined and opportunistic approach to acquisitions. The surplus land together with the proposed Surf Park on the adjoining property provide immediate development and value-add opportunities, which we have already made solid progress on."

Settlement of the transaction is expected in March 2022.

Following the settlement of Glass House Mountains Dual Service Centre, DXC's portfolio will grow to \$834 million, reflecting a weighted average capitalisation rate of 5.8% and a portfolio weighted average lease expiry of 11.3 years.

The acquisitions will be funded by existing debt capacity, increasing DXC's gearing to 34.6% on a pro forma basis, which is within the 25% - 40% target range.

*Authorised by Chantal Churchill, Company Secretary of Dexus Asset Management Limited*

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### About Dexus Convenience Retail REIT

Dexus Convenience Retail REIT (ASX code: DXC) (formerly 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. At 31 December 2021, the fund's portfolio is valued at approximately \$803 million, predominantly located on Australia's eastern seaboard and leased to leading Australian and international convenience retail tenants. The portfolio has a long lease expiry profile and contracted annual rent increases, delivering the fund a sustainable and strong level of income security. The fund has a conservative approach to capital management with a target gearing range of 25 – 40%. Dexus Convenience Retail REIT is governed by a majority Independent Board and managed by Dexus (ASX code: DXS), one of Australia's leading fully integrated real estate groups, with over 35 years of expertise in property investment, funds management, asset management and development. [www.dexus.com](http://www.dexus.com)

Dexus Asset Management Limited (ACN 080 674 479, AFSL No. 237500) (the "Responsible Entity") as the responsible entity and issuer of the financial products in respect of Convenience Retail REIT No. 1 (ARSN 101 227 614), Convenience Retail REIT No. 2 (ARSN 619 527 829) and Convenience Retail REIT No. 3 (ARSN 619 527 856) collectively the Dexus Convenience Retail REIT (ASX code: DXC) stapled group. The Responsible Entity is a wholly owned subsidiary of Dexus (ASX code: DXS).

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