



8 December 2022

ASX Announcement

December 2022 Property Valuations

Region Group (ASX: RGN) (“RGN”) announces the results of its property valuations at December 2022. The total value of RGN’s Investment Properties has increased by \$25.8m, from \$4,460.9m at June 2022 to \$4,486.7m as at December 2022.

This movement is comprised of:

- Valuation decrease in ‘like-for-like’ properties of \$131.2m (decrease of 3.0%);
- Acquisitions completed during the period of \$180.0m; and
- Disposal of \$23.0m, being Carrara, QLD which has been contracted for sale at \$23.5m (increase of 2.2% on June 2022 book value of \$23.0m). This transaction is expected to settle early next year.

Investment Property Portfolio Summary	\$m
June 2022 Portfolio Valuation	4,460.9
Less: Valuation decrease ‘like-for-like’	(131.2)
Add: Acquisitions completed during the period	180.0
Less: Disposal (Asset Held for Sale)	(23.0)
December 2022 Portfolio Valuation	4,486.7

Valuation Weighted Average Capitalisation Rate	
June 2022: % Rate*	5.44%
Cap Rate Movement	0.23%
December 2022: % Rate (excluding acquisitions)	5.67%
December 2022: % Rate (including acquisitions)	5.67%

**excluding Carrara, QLD, Asset Held for Sale*

Across the like-for-like portfolio, 20 were valued externally and make up \$45.1m of the total decrease in valuation (decrease of 4.7%). The remaining 70 centres were internally valued and make up \$86.1m of the total decrease in valuation (decrease of 2.5%). Details of portfolio movements, including a comparison of independent and internal valuations, are set out in the next table.

Level 5, 50 Pitt Street Sydney NSW 2000

regiongroup.au



Independent vs. Internal Valuations

Independent Values:	
Number of Properties	20
% of portfolio book value	20.3%
Change in Valuation (\$m)	(45.1)
Change in WACR	0.26%
Internal Values:	
Number of Properties	70
% of portfolio book value	75.7%
Change in Valuation (\$m)	(86.1)
Change in WACR	0.22%
Acquisitions:	
Number of Acquired Properties	5
% of portfolio book value	4.0%
Cost of Acquisitions (\$m)	180.0
Valuation (\$m)	180.0
Disposals:	
Add: gain/(loss) on assets transferred (\$m)	0.5
Less: Assets transferred to Assets Held for Sale (\$m)	(23.5)
Value of Disposed Properties (\$m)	(23.0)
Total Portfolio:	
Number of Properties (excluding Asset Held for Sale)	95
Change in Valuation (\$m)	25.8
Change in WACR	0.23%

- The valuation decrease across like-for-like properties of \$131.2m (decrease of 3.0%) is mainly due to:
 - Capitalisation rate softening of 23bps, from 5.44% at June 2022 to 5.67% at December 2022; and
 - Discount rate softening of 23bps, from 6.17% at June 2022 to 6.40% at December 2022.



In July 2022, we acquired a portfolio of 5 assets from Centuria (Primewest) for \$180.0m at a weighted average cap rate of 5.66%.

We have also contracted to sell an asset, Carrara, QLD, for \$23.5m (2.2% above June 2022 book value of \$23.0m).

Net Tangible Assets (“NTA”) per unit will be impacted by the valuations announced today as well as by other matters including capital expenditure during the period and movements in other balance sheet items such as the valuation of derivatives.

This document has been authorised to be released to the ASX by the Board of RGN.

ENDS

Media, Institutional investor and analysts, contact:

Greg Inkson
Interim CFO
Region Group
(02) 8243 4900

Unitholders should contact RGN Information Line on 1300 318 976 with any queries.