

# Dexus (ASX: DXS)

## ASX release



6 May 2025

### March 2025 quarter update – Continued portfolio resilience and fund outperformance

Ross Du Vernet, Dexus Group Chief Executive Officer & Managing Director said: “The outlook for Australian real asset markets continues to improve, underpinned by strong population growth, high levels of employment, constrained supply pipelines and declining interest rates. While the global growth outlook has become more uncertain recently, these conditions are expected to support flows of capital into high quality real asset investments.

“Against this backdrop, we remain focused on driving investment returns across our directly held assets and managed funds and delivering on our strategic priority areas of transitioning our balance sheet, maximising funds contribution and unlocking deep sector expertise.”

### Key highlights

- **Property portfolio continues to demonstrate resilience**, with Dexus office portfolio occupancy at 93.2% and Dexus industrial portfolio at 95.7%, with lower average incentives across both portfolios
- **Rent collections** remain strong at 100%
- **Exchanged or settled on circa \$960 million** of transactions across the platform, the majority of which were transactions on behalf of a number of funds
- **Delivered continued outperformance** from Dexus Wholesale Property Fund and Dexus Wholesale Shopping Centre Fund
- **Increased managed stake in Powerco**, New Zealand’s largest dual-energy distributor by network length, to 51% through the acquisition of a further 9% stake on behalf of a managed client
- **DREP2 committed capital** into a new project worth circa \$300 million<sup>1</sup> post quarter-end

### Outlook

Ross Du Vernet said: “Our investment portfolio continues to deliver resilient income streams, with a strong balance sheet supported by a disciplined approach to capital management.

“These factors set us up to unlock opportunities in real assets and deliver investment performance for our Security holders and clients in the next phase of the investment cycle.

“Barring unforeseen circumstances, for the 12 months ended 30 June 2025<sup>2</sup> Dexus reiterates its expectation for AFFO of circa 44.5-45.5 cents per security and distributions of circa 37.0 cents per security.”

### Environmental, Social and Governance (ESG)

Dexus continues to be recognised for its strong sustainability performance in the DJSI Corporate Sustainability Assessment and Indices, being named in the top 5% of companies globally and ranked third amongst global peers.

Dexus’s commitment to delivering strong sustainability outcomes underpins long-term performance. During the quarter, Dexus progressed the priority areas of its sustainability strategy:

- **Customer prosperity:** Delivered extensive solar systems at two industrial developments completed at Moorebank and Ravenhall. Customers benefit from a combined capacity of around 630 kW, equivalent to the yearly energy consumption of around 60 average Australian households.
- **Climate action:** Completed a comprehensive climate risk assessment to understand and manage Dexus’s material transition and physical risks and opportunities, which will inform the next iteration of Dexus’s Climate Transition Action Plan to be released later in the year.
- **Enhancing communities:** Celebrated the diverse communities within Dexus’s spaces. Activations were held at 32 assets across the retail and office portfolio, including Lunar New Year celebrations and events for employees and customers celebrating the LGBTQIA+ community in the lead up to Mardi Gras.



## High quality property portfolio remains resilient

Dexus's \$14.5 billion high quality portfolio comprises predominantly \$9.6 billion in office and \$3.5 billion in industrial.

Key metrics <sup>3</sup>	Office		Industrial	
	31 Mar 2025	31 Dec 2024	31 Mar 2025	31 Dec 2024
Occupancy by income	93.2%	93.5%	95.7%	95.7%
Occupancy by area	92.8%	92.9%	96.8%	97.4%
Weighted average lease expiry (by income)	4.3 years	4.4 years	4.4 years	4.5 years
Average incentives <sup>4</sup>	25.5%	26.4%	17.9%	21.1%
<b>Leasing volumes<sup>5</sup></b>	<b>3 months</b>	<b>6 months</b>	<b>3 months</b>	<b>6 months</b>
Stabilised leasing (sqm)	23,700	48,500	109,600	239,700
Number stabilised lease transactions	56	131	9	34
Development leasing (sqm)	-	-	27,500	58,800
Number development lease transactions	-	-	3	5

### Office portfolio

In office, the flight to quality and CBD core locations is evident in occupancy rates. Dexus continues to benefit from this dynamic, with 76% of its office portfolio located in core CBD locations. The CBDs in Sydney, Perth and Melbourne experienced reductions in vacancy and positive net absorption during the quarter, with vacancy in the Melbourne CBD declining for the first time since 2021. Sydney CBD net effective rent growth accelerated to +10% year-on-year as vacancy and incentives continued to decline. The corporate rightsizing cycle appears to be moderating, with subleasing levels down over 50% across the four main CBDs in the quarter compared to 2020.

Dexus's portfolio occupancy remains strong at 93.2%, above the market average<sup>6</sup> of 86.3%, albeit slightly below occupancy at December 2024 as a result of select expiries. Average incentives reduced to 25.5%, largely driven by lower incentives on deals in the Sydney core CBD at assets including One Farrer Place. Thirteen leasing transactions across 4,200 square metres were also achieved at Australia Square.

### Industrial portfolio

Leasing momentum continued across Dexus's industrial portfolio with strong leasing activity at ASCEND Industrial Estate at Jandakot in Perth. Portfolio occupancy remained steady at 95.7%, with Dexus in active leasing discussions on the vacant space across its portfolio and focused on delivering strong total returns across the lifecycle of its assets.

Releasing spreads of circa 26% were achieved in the year to date and average incentives reduced to 17.9% driven by lower incentives achieved in deals at ASCEND Industrial Estate. The portfolio remains materially under-rented at 14.1%, creating the opportunity to grow income by resetting the rents on vacancy and upcoming lease expiries across approximately one-third of the portfolio by FY27.

### Developments

Construction at Dexus's city shaping office development Atlassian Sydney continues to progress, with completion scheduled for late 2026. Construction at Waterfront Brisbane continues, with the project nearly out of the ground. As a result of recent weather events in Brisbane, the forecast completion date may shift from early 2028 to mid 2028. Dexus also progressed construction of 206,500 square metres across its committed industrial developments and secured 27,500 square metres of development leasing.

During the quarter, Dexus completed construction at 12 Church Road, Moorebank across 17,900 square metres and at Horizon 3023 industrial estate in Ravenhall across 29,100 square metres, which is 100% leased. Construction commenced across a further 34,200 square metres at Horizon 3023.



## Funds management platform

Dexus manages \$38.9 billion of funds across its diversified funds management business.

Positive momentum continues across Dexus's opportunity funds series, with DREP2 committing to its second project. Fund raising continues for DREP2 with circa \$470 million committed and final close scheduled for early FY26.

Following court proceedings, Dexus Wholesale Shopping Centre Fund will sell its interest in the Macquarie Centre asset, which was subject to a change of control event in the acquisition of the AMP Capital platform. The Responsible Entity and management team of DWSF remain committed to acting in the best interests of DWSF investors as a whole.

Flagship fund, Dexus Wholesale Property Fund (DWPF), continued to outperform its benchmark over all time periods. Dexus Wholesale Shopping Centre Fund (DWSF) has continued to deliver performance since transitioning to Dexus's platform, outperforming its benchmark over the 1 and 2 year time periods.

*Authorised by Brett Cameron, General Counsel and Company Secretary of Dexus Funds Management Limited*

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## About Dexus

Dexus (ASX: DXS) is a leading Australasian fully integrated real asset group, managing a high-quality Australasian real estate and infrastructure portfolio valued at \$53.4 billion. The Dexus platform includes the Dexus investment portfolio and the funds management business. We directly and indirectly own \$14.5 billion of office, industrial, retail, healthcare, infrastructure and alternatives. We manage a further \$38.9 billion of investments in our funds management business which provides third party capital with exposure to quality sector specific and diversified real asset products. The funds within this business have a strong track record of delivering performance and benefit from Dexus's capabilities. The platform's \$15.6 billion real estate development pipeline provides the opportunity to grow both portfolios and enhance future returns. We believe that the strength and quality of our relationships will always be central to our success and are deeply connected to our purpose Unlock potential, create tomorrow. Our sustainability approach is focused on the priority areas where we believe we can make significant impact: Customer Prosperity, Climate Action and Enhancing Communities. Dexus is supported by more than 38,000 investors from 24 countries. With four decades of expertise in real estate and infrastructure investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering returns for investors.  
[www.dexus.com](http://www.dexus.com)

Dexus Funds Management Limited ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)  
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- 1 Gross realisation value.
  - 2 Based on current expectations relating to asset sales, performance fees and trading profits, and subject to no material deterioration in conditions.
  - 3 Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds and development leasing.
  - 4 FY25 to date, excluding development leasing.
  - 5 Includes Heads of Agreements.
  - 6 Australian CBD vacancy average by Property Council of Australia at January 2025.