



## ESR Australia Expands Exposure of EALP II in key Victorian locations

- ESR Australia Logistics Platform II (EALP II) has deployed A\$106.5million, reflecting a weighted average capitalisation rate of 4.46% to acquire well-located core and core-plus income-producing assets in five strategic locations
- A 15,390sqm property at 9-13 Annick Crescent, Truganina, was acquired for A\$16.2 million
- A 22,850sqm property at 147-153 Canterbury Road in Kilsyth was acquired for A\$22.2 million.
- A 19,472sqm property at 321-327 Greens Road, Keysborough, is a fully leased unit estate and was acquired for A\$25.0million.
- A 10,914sqm property at 4 Healey Road, Dandenong South, was acquired for A\$15.0million.
- Two sites in Turner Street within Melbourne's premier infill logistics market of Port Melbourne were acquired as a parcel for A\$28.1 million

**SYDNEY, 19 July 2022:** ESR Australia is looking beyond short-term market slowdown prompted by rising interest rates, confidently expanding its Victorian footprint with the acquisition of five income-producing properties in Truganina, Kilsyth, Keysborough, Port Melbourne, and Dandenong

The combined outlay of A\$106.5 million via its ESR Australia Logistics Platform II (EALP II) expands the Fund's core plus strategy. It expands ESR Australia's foothold in key logistics locations primed for rental growth.

The properties were acquired in quick succession, with a weighted average lease expiry (WALE) of 5.69 years and healthy yields reflective of the growing demand for Victorian industrial sites.

ESR Australia CEO, Phil Pearce, said the business has been experiencing robust leasing enquiry, particularly from customers in Melbourne seeking quality sites in prime locations.

"The Victorian industrial market is proving to be a source of great opportunity, and ESR Australia is delighted to be ramping up our presence and capitalise on these opportunities.

"Given the record high occupancy and record levels of demand being experienced across the major markets we expect rental to compensate for any expansion in cap rates following substantial compression over the past year.



"Port Melbourne is going to see a major transformation over the next ten years, and when a rare opportunity presented itself to acquire assets within the Fishermen's Bend "Employment Precinct" we seized the opportunity.

"The acquisition of the sites in Dandenong South, Kilsyth and Keysborough play into EALP II's core-plus strategy to acquire sites in Melbourne's land constrained Southeast. These three income-producing sites will further establish ESR Australia's presence on the ground, and with the sustained growth of demand, we anticipate healthy returns.

The Port Melbourne properties are the closest ESR Australia holds in proximity to Melbourne's CBD and will see the amalgamation of 102-130 Turner Street, which currently has three warehouses on the site leased by multiple tenants.

The Dandenong South property at 4 Healey Road comprises a 1.8ha site with two years of holding income. The site provides the option to either re-lease or re-develop when the tenant vacates.

ESR Australia purchased the 22,850 sqm site at 147-153 Canterbury Road in Kilsyth for A\$22.2 million, with over A\$ 1 million invested in infrastructure upgrades to the site over the past five years. It is fully leased to B&D Australia, a subsidiary of the Dulux Group, who have been in occupation of the site for 50 years and has recently renewed their lease to 2027.

The 1.9ha site at 321-327 Greens Road, Keysborough, was built in 2021 and acquired for \$25.0million off-market. The core 4-unit logistics estate is fully leased to embedded tenants on first-generation leases.

## ENDS

### About ESR

ESR is APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140 billion<sup>1</sup> in gross assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S.

We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. With 14 listed REITs managed by the Group and its associates, ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. Our purpose – *Space and Investment Solutions for a Sustainable Future* – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

More information is available at [www.esr.com](http://www.esr.com).

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