



## ESR Australia acquires key South Sydney site for A\$143 million.

- ESR Australia has settled on one of the few remaining large-scale industrial landholdings in Botany Bay for ESR Australia Development Partnership II (EADP II), acquiring a 4.8ha site at 49 Stephen Road, Banksmeadow, for A\$143 million.
- ESR Australia will invest a further A\$300million to develop a two-level facility with a Gross Floor Area (GFA) of c.58,000sqm.
- The site's vendor, Allnex, the global leader in industrial coating resins, has entered a five-year leaseback agreement with ESR Australia under the settlement terms.
- The highly connected premium Sydney location is experiencing incredibly high demand, with the vacancy rate currently sitting at 0.2%.

**NSW, 21 June 2023:** ESR Australia has secured one of the few remaining large-scale industrial sites in South Sydney, which has the potential to support a multi-storey logistics facility. The acquisition takes the ESR development pipeline in Australia to A\$7.9 billion at a time when demand for logistics property has never been higher.

ESR Australia has settled on the 48,000 sqm site for A\$143 million, which is currently home to global leader in industrial coating resins, Allnex.

In line with its strategy, EADP II will re-develop the asset into a core logistics estate, and ESR Australia intends to invest a further A\$300 million to deliver c.58,000 sqm of GFA. The property has planning controls with no floor space ratio (FSR) or height limits, providing a significant opportunity to develop multi-level warehousing on the site.

Under the terms of the acquisition, Allnex has entered a five-year leaseback which will provide sufficient time for them to ensure alternative sourcing routes are established in close alignment with its customers and ESR time to obtain all necessary planning approvals.

ESR Australia CEO, Phil Pearce, said, "ESR Australia is pleased to secure an infill site of this scale in the highly sought after Botany Bay Precinct. The strong demand for space within the precinct and site's planning overlay will enable us to explore multi-level warehousing on the site."

Allnex VP of Commercial Southeast Asia, Australia, and New Zealand, Zel Medak, expressed that the decision to sell the Botany Bay property followed a strategic review of its regional operations.

Mr. Medak expressed, "Allnex recognises the shifts within the Australian surface coatings market, both geographically and technologically, and is proactively taking measures to ensure the continuity of our operations. We are pleased to reach an agreement with ESR to ensure minimal disruption and to continue to provide our customers with high-quality and innovative products."



South Sydney is one of Sydney's best-located precincts, with proximity to Port Botany, Sydney Kingsford Smith Airport, and major arterial road networks. Sydney has an extremely low vacancy rate sitting at 0.2%, while prime rental rates have grown 37.2% over the last 12 months and are forecasted to rise another 15% during 2023.

## 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\$156 billion in total 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. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$46 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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