



ESR Australia settles on Milestone Portfolio and Operating Business, turns focus to realising A\$3.3 Billion pipeline.

- ESR Milestone Partnership (“EMP”) settles on the purchase of the Milestone Portfolio (“The Portfolio”) from Blackstone, Australia’s largest-ever logistics and general property portfolio transaction
- The \$3.8 billion acquisition consists of 45 high-quality, income-producing assets set over 3.6 million sqm, and the associated operating business.
- ESR Australia’s Assets Under Management (AUM) leap 72% to A\$8.1 billion, while the development pipeline has increased 35% to A\$3.3billion

SYDNEY, 17 June 2021

ESR Australia has settled on the purchase of the Milestone portfolio and operating company in the largest-ever property transaction in Australia, officially taking control of the 45 high-quality, income-producing assets set over 3.6 million sqm and collectively valued at circa A\$3.8 billion reflecting a yield of 4.5%.

The acquisition represents a 72% uplift in ESR Australia’s AUM, which is now valued at A\$8.1 billion, and positions the business as the third largest industrial owner in the country, within three years of entering the Australian market.

ESR Australia CEO, Phil Pearce, said “Since the transaction, the continued growth and strength for demand for logistics assets nationally has been exponential.

“In recent months, there have been several assets transact at sub 4% yields along the eastern seaboard, which provides further validation for the price paid for the The Portfolio and ESR’s view that the market would continue to be strong.

“Further, land prices around the country have continued to grow at accelerated rates, which will allow ESR to bring forward the redevelopment of several assets across The Portfolio, further enhancing our value proposition. The underlying land value was a crucial part of our underwrite as we view the assets as very strategically located.

The Portfolio provided the opportunity that ESR Australia had been seeking to fulfil its ambitions of scale, attention would now turn to capitalising on the vacant and under-utilised land within The Portfolio.

“The key challenge in the market at present is the availability of stock to purchase, coupled with the intense competition for scarce assets. In this regard, we are pleased to have been successful in picking up such a large portfolio in one line.



“Within the Milestone portfolio, ESR has identified at least 14 assets to be developed in the coming 3-7 years, in addition to our development pipeline of \$2.4 billion, resulting in a cumulative development pipeline valued at A\$3.3 billion. Given the continued firming in asset values we will look to capitalised on our development capability and focus on development driving our growth going forward.

“We are looking forward to welcoming the Milestone employees into the ESR business, along with the contribution they will make as we look to continue to expand our business and capabilities to the benefit of our customers and capital partners.”

The transaction was given the green light by the Foreign Investment Review Board on 25 May, before settlement was finalised on 17 June.

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About ESR Australia

ESR Australia is a leading manager of industrial and business park real estate with AUM of more than A\$8.1 billion, and a robust pipeline of developments underway. ESR Australia also has established funds management capabilities with long term relationships with global institutional investors.

Their team has deep expertise across the industrial and office real estate markets. A fully integrated service offering is delivered by this in-house team, achieving positive customer outcomes through tenant-driven development solutions, active asset management, and a strategic approach to property investment management.

ESR Group is the largest Asia-Pacific logistics real estate group by gross floor area and by the value of the assets owned directly and by the funds and investment vehicles it manages. With over US\$29.9 billion (as at 31 December 2020) in AUM across 20.1 million sqm of real estate and land, ESR operates across the region in China, Japan, Singapore, South Korea, India and Australia. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

For more information on ESR Australia, please visit au.esr.com

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