



ESR Australia Logistics Partnership (EALP) Purchases a Portfolio of 11 Assets for \$302.5 million

- ESR Australia Logistics Partnership (EALP) AUM exceeds A\$1 billion after acquiring assets from an ESR managed closed-end investment fund.
- Diversifies EALP portfolio with core-plus assets primarily located on the eastern seaboard.
- Increase in GFA of the EALP portfolio to over half a million square metres across 36 properties.

SYDNEY, 18 November 2020

ESR Australia is pleased to announce that EALP has purchased a portfolio comprising 11 assets primarily located in the eastern seaboard cities of Sydney, Melbourne and Brisbane. The purchase of this portfolio of assets from Propertylink Australian Industrial Partnership II (PAIP II), an ESR managed partnership, takes the gross assets of EALP to over A\$1 billion.

The EALP investment strategy is to build a diversified core-plus portfolio weighted towards income-producing assets on the eastern seaboard. Accordingly, the additional assets provide greater diversity to the EALP portfolio with the 11 income-producing industrial assets primarily on the east coast, shifting Sydney weighting from 35% to 44% of the portfolio.

With the addition of these assets, the EALP portfolio now includes 36 properties with GFA of over 500,000 sqm. EALP was seeded with 21 income-producing assets and 19.4 ha of land to develop core product.

Phil Pearce, CEO of ESR Australia, said, "This transaction represents a great outcome for our investors in both investment vehicles and our business. The PAIP II investors achieving an exit in line with the fund's original strategy, while EALP is able to add a quality portfolio of assets with a strong weighting to preferred markets of Sydney, Melbourne and Brisbane to its existing portfolio.

The fact that our investor in EALP was inclined to add PAIP II assets to the EALP portfolio reflects the value we've added through our active management strategy. I'm pleased to be retaining these assets and have the opportunity to continue to manage them.



We've also made significant progress with EALP, our flagship logistics fund. In just over six months, we've closed on target equity and grown assets to over \$1 billion."

Further value and GFA has been added to the EALP portfolio with the addition of another income-producing asset via development. ESR Australia has developed a facility for SUEZ Recovery and Recycling Pty Ltd at ESR Sherbrooke Industrial Estate in Queensland, one of the land parcels in EALP's seed portfolio. The development reached Practical Completion this week and represents the first project to be delivered for EALP. ESR Australia is also developing a circa 13,000 sqm speculative facility on the estate.

ESR Australia recently announced the sell-down of the remaining 35% of its stake in EALP. This transaction has now concluded, supplying capital for the acquisition of these additional assets. ESR Australia held 17% of PAIP II, which will be reinvested as part of its 20% stake in EALP.

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About ESR Australia

ESR Australia is a leading manager of industrial and business park real estate with assets under management of more than A\$2.5 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 inhouse team, achieving strong 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 (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages. With over US\$26.5 billion in assets under management across 18.7 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.

Assets Under Management @ 30 June 2020

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