

## ASX Release

# Charter Hall Long WALE REIT acquires Brisbane CBD office building

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Responsible Entity of Charter Hall  
Long WALE REIT

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Charter Hall Long WALE REIT (ASX:CLW) (CLW or the REIT) today announced that it has acquired a 50% interest in 40 Tank Street in Brisbane's CBD. The Charter Hall Direct PFA Fund has acquired the other 50% interest in this property. The property has been acquired for a consideration of \$93.0 million (ie. \$46.5 million for CLW 50% interest) reflecting an initial yield of 5.84% and a rate of \$7,525/sqm of lettable area (excluding car bays). Following the acquisition, CLW and PFA will continue to provide outstanding tenant incentives in accordance with the leases.

The 10 storey office building and car park comprising a net lettable area (NLA) of 6,218 sqm and 327 car parking bays was recently refurbished in 2014 and is 100% leased with a WALE of 6.3 years. The office component of the building has 5,906 sqm NLA, is 100% leased to the Queensland State Government (Queensland Police Services) and represents approximately 50% of the gross passing income. The property also benefits from five levels of car parking with 300 car parking bays leased to Care Park, one of Australia's leading car park management groups.

Fund Manager, Avi Anger commented on the transaction: "This acquisition demonstrates our ability to recycle proceeds from the sale of the Grace property located at Willawong, Brisbane into a higher quality property investment which provides the REIT with stronger tenant quality, a more secure and diverse income stream, with a longer WALE than the Willawong property."

The property is well located within close proximity to transport infrastructure, the North Quarter legal precinct and is expected to benefit from its close proximity to Queens Wharf Casino precinct, a \$3 billion integrated casino resort project with completion expected to occur in 2022. Furthermore, the property will gain direct benefit from the \$1 billion Brisbane Quarter development situated at 300 George Street.

"The acquisition increases the REIT's exposure to the improving Brisbane CBD office market. The property provides optionality to either extend the leases with the existing tenants or redevelop in the future to a new, long WALE property for a substantially larger building. We estimate that the underlying land value of the property represents greater than 65% of the purchase price." Mr Anger added.

Settlement of the transaction is scheduled to occur on 31 August 2018. This transaction does not impact on prior FY18 earnings guidance which remains unchanged. Earnings guidance for FY19 will be provided as part of CLW's FY18 results on 10 August 2018.

**About Charter Hall Long WALE REIT**

Charter Hall Long WALE REIT is an Australian Real Estate Investment Trust ("REIT") listed on the ASX (ASX: CLW) and invests in high quality Australasian real estate assets that are predominantly leased to corporate and government tenants on long term leases.

Charter Hall Long WALE REIT is managed by Charter Hall Group (ASX:CHC) one of Australia's leading fully integrated property groups, with over 25 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$22.5 billion of funds under management across the office, retail and industrial sectors. The Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

The Group's success is underpinned by a highly skilled and motivated team with diverse expertise across property sectors and risk-return profiles. Sustainability is a key element of its business approach and by ensuring its actions are commercially sound and make a difference to its people, customers and the environment, Charter Hall can make a positive impact for its investors, the community and the Group.

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For further information, please contact

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