

ASX Release

Charter Hall Long WALE REIT acquires Brisbane CBD office building

2 October 2018

Charter Hall WALE Limited
ACN 610 772 202
AFSL 486721

Responsible Entity of Charter Hall
Long WALE REIT

Level 20, No.1 Martin Place
Sydney NSW 2000
GPO Box 2704 Sydney NSW 2001

T +61 2 8651 9000
F +61 2 9221 4655

www.charterhall.com.au

Charter Hall Long WALE REIT (ASX:CLW) (CLW or the REIT) today announced that it has entered into a contract to acquire a 50% interest in 85 George Street in the Brisbane CBD. The Charter Hall Direct PFA Fund (PFA) will acquire the other 50% interest in this property. The property will be acquired for a consideration of \$60.0 million. Following the acquisition, CLW and PFA will undertake a building refurbishment program at the property. On completion of the works and payment of the tenant incentives, the total cost to CLW and PFA is estimated to be \$102.2 million which reflects an initial yield of 6.0% and a rate of \$9,687/sqm of lettable area (inclusive of car bays).

The 17 storey office building and car park comprises a net lettable area (NLA) of 10,550 sqm and 105 car parking bays. The building refurbishment program is expected to be completed by late January 2019. On completion of the works, the building will be 100% leased to government tenants and will have a WALE of 10 years. The transaction is conditional on CLW and PFA finalising and executing the tenancy documentation.

The property is well located, being directly opposite the new Queens Wharf integrated casino and entertainment precinct. The area is also a well established government precinct with the Queensland State Government located in many of the surrounding buildings. Furthermore, the property will gain direct benefit from the \$1 billion Brisbane Quarter development situated at 300 George Street.

Fund Manager, Avi Anger commented on the transaction: "This acquisition, together with the previously announced acquisition of a 50% interest in 40 Tank Street, the Club Hotel, Waterford and an increased stake in LWIP demonstrates our ability to recycle proceeds from the sale of 50% of ATO Adelaide and Grace Willawong into a more diversified, high quality, longer WALE portfolio of properties which provides the REIT with strong tenant quality, a more diverse income stream and increases the geographic weighting of our portfolio to the east coast markets."

"The acquisition increases the REIT's exposure to the improving Brisbane CBD office market. The property should benefit from the \$3.6 billion Queens Wharf development which is scheduled for completion in 2022. This major project for Brisbane will significantly improve the amenity and attractiveness of this part of the Brisbane CBD" Mr Anger added.

Settlement of the transaction is scheduled to occur on 12 October 2018. CLW reconfirms its guidance for FY19 Operating EPS between 26.4 – 26.6 cents per security.

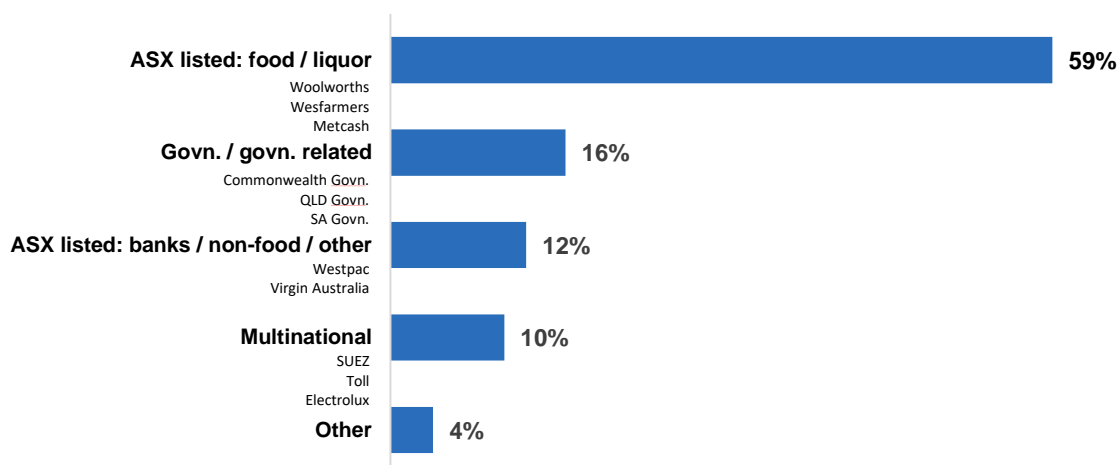


Portfolio Metrics

	As at June 2018	Post transactions announced to date ¹	Post Capital Hill
Properties	81	82	83
Portfolio value	\$1,525m	\$1,458m	\$1,508m
WACR	6.1%	6.1%	6.1%
WALE	10.8 yrs	11.2 yrs	11.2 yrs
Occupancy	100%	100%	100%
WARR (p.a.)	2.9%	2.8%	2.9%

1. Includes disposal of Grace Willawong; disposal of 50% interest in ATO Adelaide office; acquisition of 50% interest in 40 Tank Street Brisbane; acquisition of Club Hotel Waterford; and increased interest in the Long WALE Investment Partnership from 45% to 49.9%

Portfolio tenant classification



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 \$23.2 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.

For further information, please contact

Avi Anger
Fund Manager
Charter Hall Long WALE REIT
T +61 2 8651 9111
avi.anger@charterhall.com.au

For investor enquiries, please contact

Philip Cheetham
Head of Listed Investor Relations
Charter Hall
T +61 2 8651 9214
philip.cheetham@charterhall.com.au

For media enquiries, please contact

Angus Booth
Head of Communications and External Affairs
Charter Hall
T +61 2 8651 9223
angus.booth@charterhall.com.au