

## ASX RELEASE

11 December 2019

### Sale of 757 Ann Street

Investec Property Limited as responsible entity of Investec Australia Property Fund (**IAP** or the **Fund**) is pleased to announce that a contract for sale has been entered into on 11 December 2019 with Trosa AusProp Pty Ltd as trustee of Trosa AusProp One Trust to sell the property located at 757 Ann Street, Fortitude Valley QLD (**Property** or the **Sale**).<sup>1</sup>

The sale price for the Property is \$94,000,000<sup>2</sup>, which equates to a passing yield of 6.6%, with the Sale proceeds being used to repay debt. It is anticipated that the Fund's gearing following receipt of the Sale proceeds and the repayment of debt will be approximately 21%.<sup>3</sup>

IAP CEO, Graeme Katz, said, "We previously advised the market that we would look to sell properties where we believe valuation creation has been maximised, to protect against downside risk or to improve the overall quality of the portfolio. Given the Property presents as new, the weighted average lease expiry is just under 4.5 years and there is currently strong demand for high quality office properties in the Brisbane fringe office market, we determined that it was an opportune time to consider a sale of the Property. The proceeds from the Sale will be used to repay debt, which will further strengthen the Fund's balance sheet and provide additional debt funding capacity for future acquisitions."

The Property was sold via an expression of interest campaign, which received a strong response. The sale price of \$94,000,000 is 11% above the book value of \$85,000,000, which reflects the most recent directors' valuation conducted in September 2019 and the most recent external valuation prepared by Colliers International in September 2018.

The effective date of the Sale is the settlement date under the contract for sale, which is anticipated to be 1 April 2020. There are no conditions precedent to settlement.

The IFRS net operating income attributable to the Property amounted to \$2,797,334<sup>4</sup> for the six months ended 30 September 2019. The financial information contained in this announcement has not been reviewed or reported on by a reporting accountant.

This announcement has been authorised for release by the Company Secretary.

**ENDS**

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<sup>1</sup> The Property is held in Investec Australia Sub Trust No.6, a wholly-owned subsidiary of the Fund.

<sup>2</sup> Subject to customary adjustments. An amount of \$1,300,000 is being retained by the Fund's solicitors for a period of 12 months following settlement in respect of a planning matter being considered by the Brisbane City Council. On the assumption that the planning matter is resolved, this amount will be released to the Fund on the relevant date.

<sup>3</sup> Gearing means interest bearing liabilities (excluding debt establishment costs) divided by the total value of investment properties.

<sup>4</sup> Extracted from the reviewed condensed consolidated interim financial results, being rental income for six months net of outgoings, amortisation of incentives and IFRS straight lining.

**For further information, please contact:**

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Investec Australia Property Fund is an Australian domiciled fund that invests in office, industrial and retail property located in Australia and New Zealand. Investec Australia Property Fund is managed by an experienced team of property specialists on the ground in Australia who have an established track record. For more about Investec Australia Property Fund please visit: [www.iapf.com.au](http://www.iapf.com.au).

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