

MEDIA RELEASE

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Investec Australia Property Fund acquires Perth industrial property

Investec Australia Property Fund ("IAPF" or the "Fund") today announced an AUD 26.0 million acquisition in one of Perth's core industrial suburbs, taking the value of the Fund's total portfolio to AUD 405.5 million. The acquisition will be fully funded with debt which will take the Fund's gearing to 37%.

The 40,824 square metre site is located at 54 Miguel Road, Bibra Lake, 21km south of the Perth CBD. The property comprises 21,956 square metres of warehouse, 402 square metres of office accommodation and significant hardstand.

The property is within easy reach of the Kwinana Freeway, the main north / south access road connecting to the Perth CBD, and the Roe Highway, that provides direct access to Perth airport. The property is also conveniently located in close proximity to the Port of Fremantle and the western trade coast. Bibra Lake is considered the premier southern industrial precinct of Perth with neighbouring tenants including Bidvest Logistics, Sims Metals and Masters Home Improvement. The precinct has traditionally catered for large industrial users given its location close to strategic infrastructure and has been revitalised over recent years with newer style business park developments. There is limited new supply in the precinct and it is tightly held with low vacancy rates.

The property is 100% leased for 12 years to CTI Freight Systems Pty Ltd, a wholly-owned subsidiary of ASX-listed transport logistics and business services specialist CTI Logistics Limited. CTI Logistics Limited has provided an all obligations guarantee under the lease. The business operated by the tenant from the property comprises warehousing facilities for underlying customers involved in the document storage, food, beverage and agricultural industries.

Rents at the property are AUD 92 per square metre, which is at market, and the lease includes annual rental increases of the greater of 3% and CPI. The initial passing yield on acquisition is 7.94% pre-transaction costs which represents an attractive spread over the Fund's borrowing costs of 4.02%.

IAPF CEO Graeme Katz said:

"The acquisition represents an opportunity to gain entry to this market without direct exposure to the resources sector. The property is attractive given it is located in close proximity to strategic infrastructure including the Port of Fremantle and main highways and provides a flexible layout that could be split in the future to accommodate multiple users.

"The Fund has now acquired nine properties with a combined value of AUD 211.0 million since the rights issue late last year, and demonstrates our ability to source well-located assets underpinned by long-term leases in a competitive market," Mr Katz added.

IAPF, listed on the Johannesburg Stock Exchange under the Real Estate Holdings and Development sector, provides South African investors with direct access to the Australian commercial and industrial property market.