



# Acquisition of No. 108 Wickham Street in Queensland, Australia, for A\$106.2 million

22 December 2017



No. 108 Wickham Street, Fortitude Valley, Queensland

# Agenda

The Acquisition of No. 108 Wickham Street

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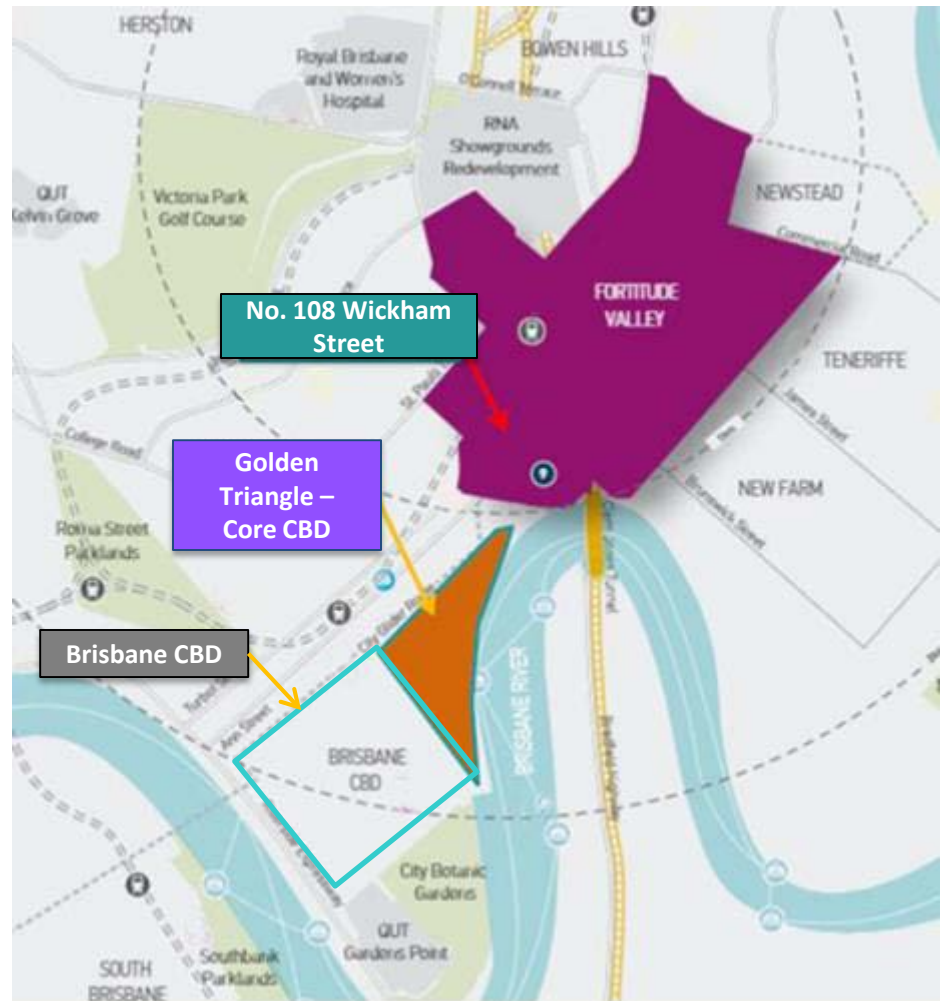
# The Acquisition of No. 108 Wickham Street

**The Property:** 6-storey office building with 141 carpark lots

**Well-Located:** Located approximately 450m from the 'Golden Triangle', Brisbane's premier corporate precinct; close proximity to Fortitude Valley Train Station and Central Train Station, multiple bus routes, the Story Bridge (linkage to South Bank) and three new inner-city road tunnels

## Key tenants:

- State of Queensland - Department of Health
- ARUP (Brisbane HQ) - Independent firm of designers, planners, engineers, consultants and technical specialists



# The Acquisition of No. 108 Wickham Street

<b>Building Address</b>	No. 108 Wickham Street, Fortitude Valley, Queensland
<b>Purchase Consideration</b>	A\$106.2 million (S\$109.0 million <sup>(1)</sup> )
<b>Acquisition Fee (to Manager)</b>	A\$1.062 million (S\$1.090 million)
<b>Stamp Duty &amp; Other Transaction Costs</b>	Approximately A\$6.6 million (S\$6.8 million)
<b>Total Acquisition Cost</b>	A\$113.9 million <sup>(2)</sup> (S\$116.9 million)
<b>Vendor</b>	108 Wickham Pty Ltd
<b>Valuation<sup>(3)</sup> (as at 22 December 2017)</b>	A\$106.2 million (S\$109.0 million)
<b>Building Age</b>	9 years
<b>Land Area</b>	2,796 sqm
<b>Land Tenure</b>	Freehold
<b>Lettable Floor Area</b>	11,913 sqm
<b>Occupancy</b>	100%
<b>Weighted Average Lease Expiry (as at 30 September 2017)</b>	6.7 years
<b>Rental Escalation</b>	3% to 4% per annum

(1) All conversions from Australian Dollar amounts into Singapore Dollar amounts in this presentation are based on the 30 November 2017 exchange rate of A\$1.00: S\$1.0258.

(2) Includes outstanding incentives reimbursed by the Vendor.

(3) The valuation was commissioned by the Manager and The Trust Company (Australia) Limited, in its capacity as trustee of Ascendas Business Park Trust No. 1, and was carried out by Jones Lang Lasalle Advisory Services Pty Ltd, using the capitalisation method and discounted cashflow method.

# Pro Forma Financial Impact:

## No. 108 Wickham Street

## Financial Impact

### DPU Impact <sup>(1)</sup>

(pro forma annualised impact)

**+0.026**

**Singapore cents\***

### Net Property Income Yield – 1<sup>st</sup> Year <sup>(2)</sup>

Pre-transaction cost

**6.5%**

Post-transaction cost

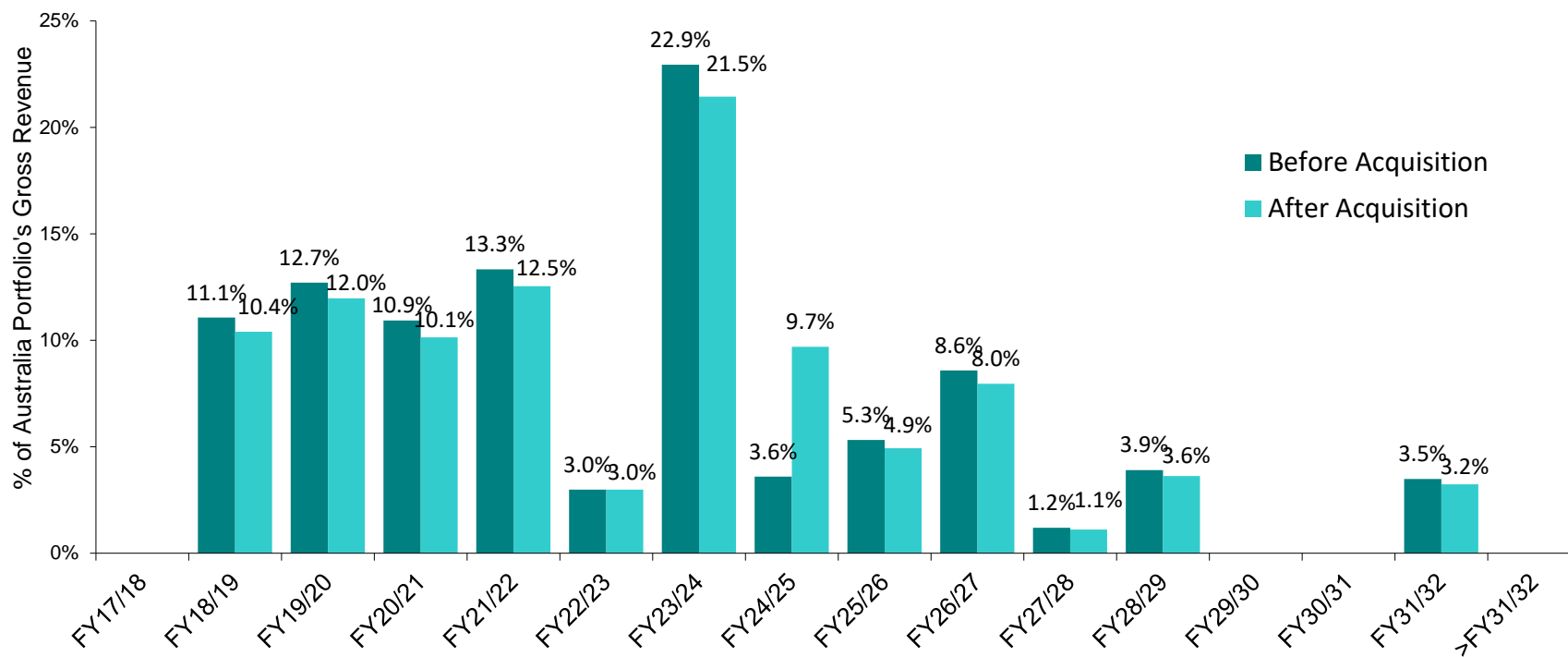
**6.1%**

(1) The annualised pro forma DPU (for FY16/17) is calculated based on 1) Ascendas Reit had completed the Acquisition on 1 April 2016, held and operated the property for the whole of the financial year ended 31 March 2017, 2) the Acquisition was funded based on a funding structure of 40% debt and 60% equity, 3) the distribution included the outstanding incentives for the first year which are reimbursed by the Vendor, and 4) the Manager elects to receive its base fee 80% in cash and 20% in units.

(2) The NPI yield is derived using the estimated net property income expected in the first year of acquisition and the outstanding incentives for the first year which are reimbursed by the Vendor.

# Australia: Weighted Average Lease to Expiry

As at 30 September 2017	Before Acquisition <sup>(1)</sup>	After Acquisition <sup>(2)</sup>
<b>Weighted Average Lease Term to Expiry</b>	<b>5.2 years</b>	<b>5.3 years</b>



**Notes:**

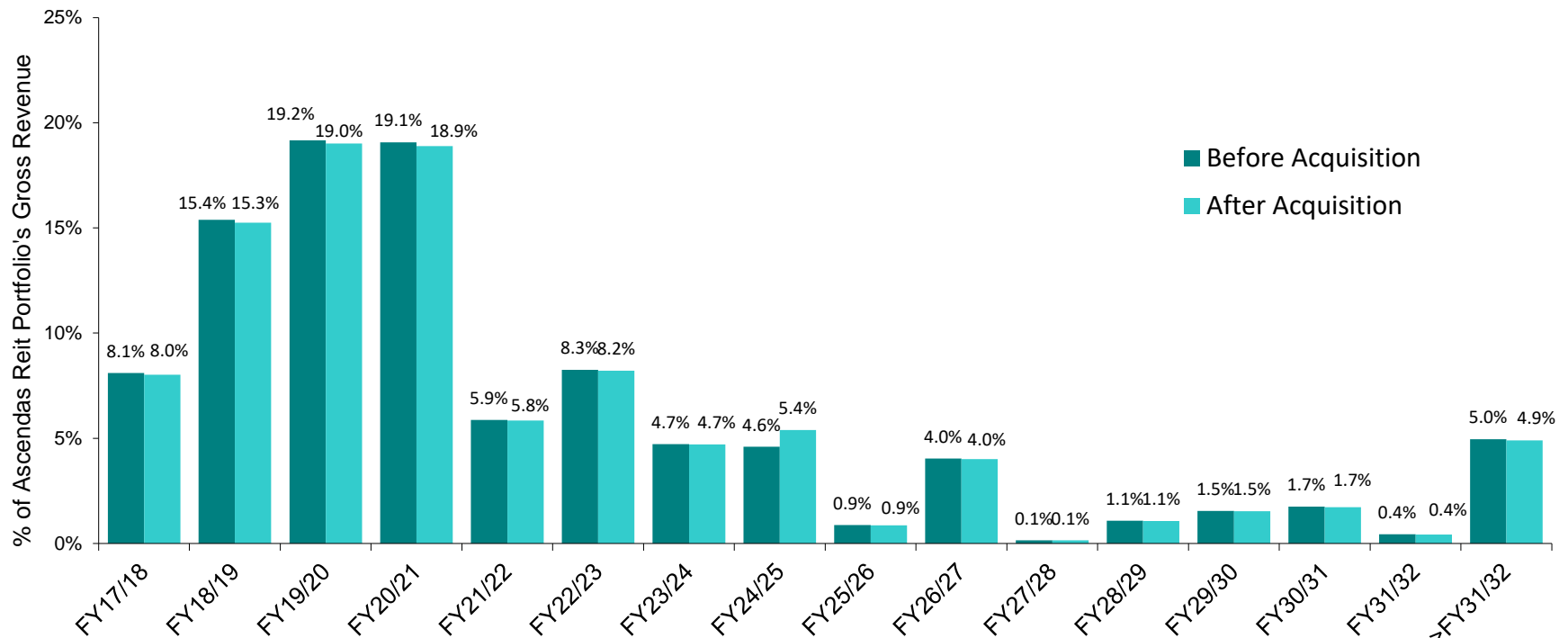
(1) Based on 30 properties as at 30 September 2017.

(2) Assuming No. 108 Wickham Street was acquired on 30 September 2017.

# Ascendas Reit: Weighted Average Lease to Expiry



As at 30 September 2017	Before Acquisition <sup>(1)</sup>	After Acquisition <sup>(2)</sup>
<b>Weighted Average Lease Term to Expiry</b>	<b>4.2 years</b>	<b>4.3 years</b>



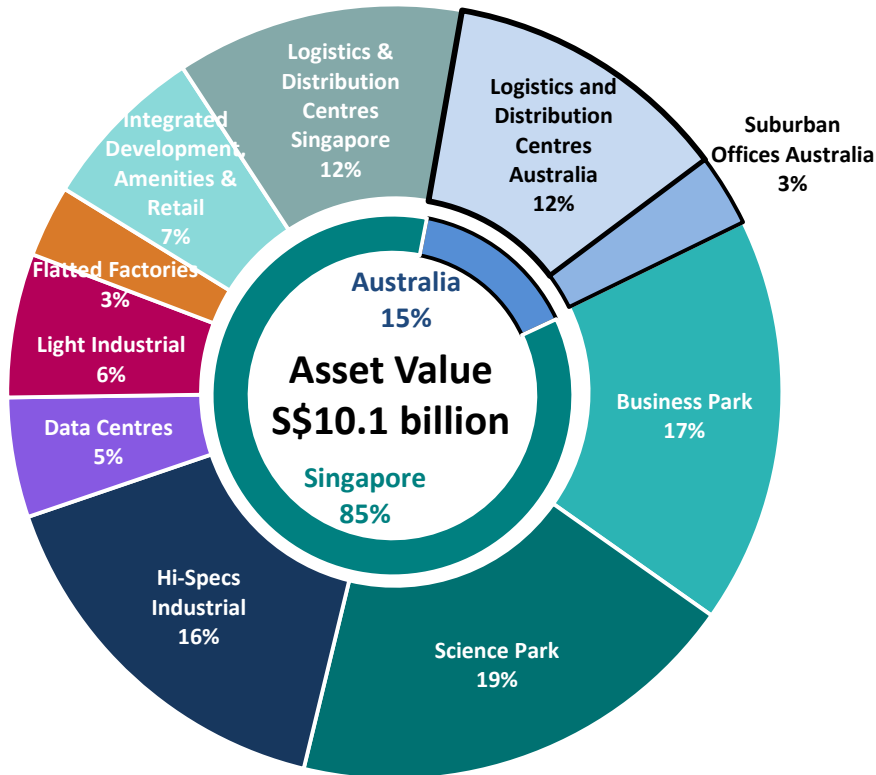
**Notes:**

(1) Based on 131 properties as at 30 September 2017.

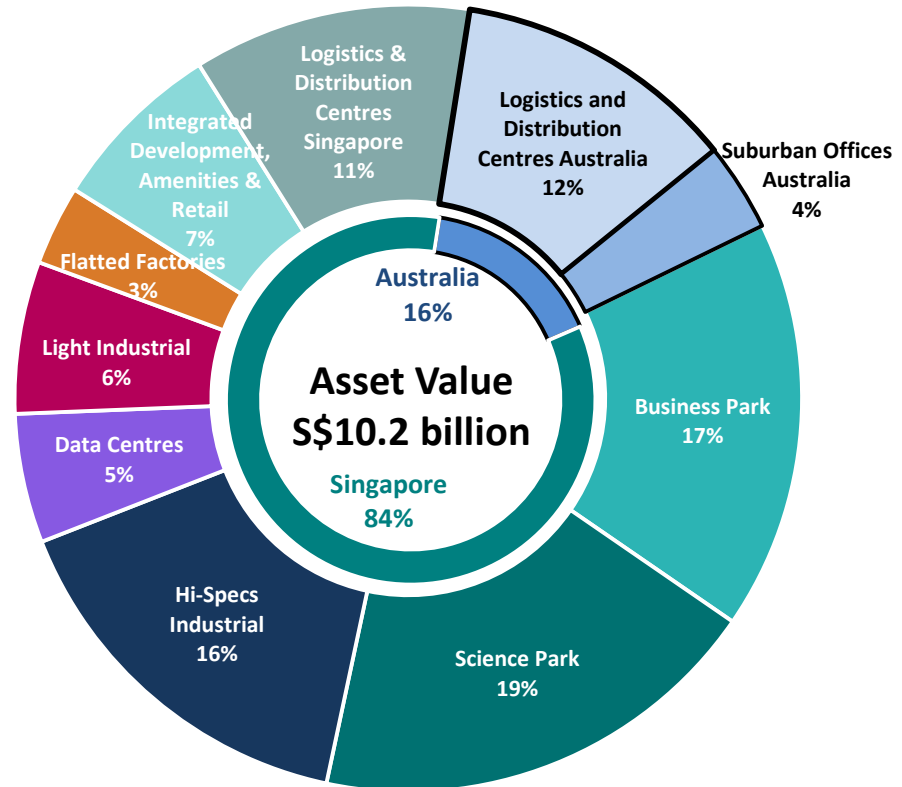
(2) Assuming No. 108 Wickham Street was acquired on 30 September 2017.

# Portfolio Diversification (by Asset Value)

**Before Acquisition<sup>(1)</sup>**



**After Acquisition<sup>(2)</sup>**



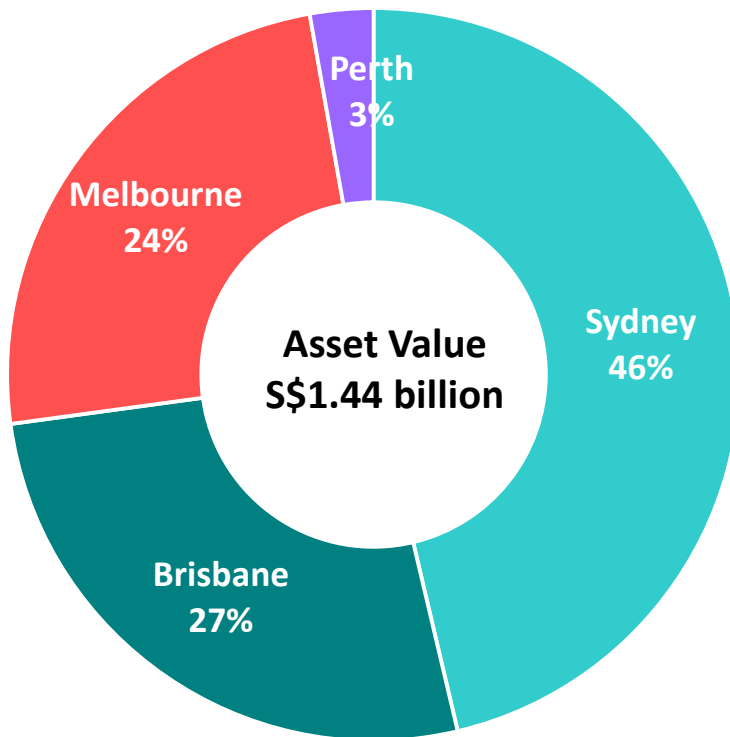
**Notes:**

- (1) Based on 131 properties as at 30 September 2017.
- (2) Assuming No. 108 Wickham Street was acquired on 30 September 2017.

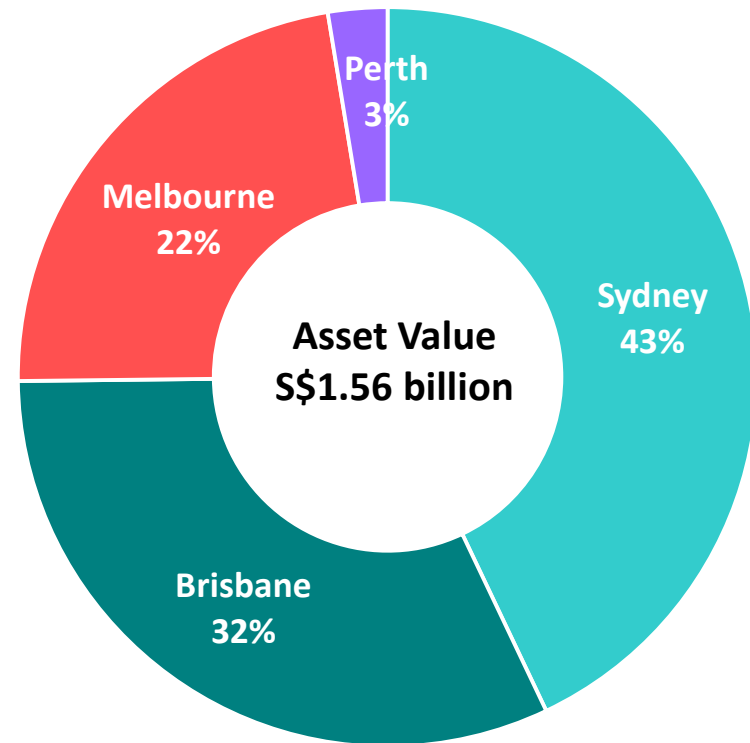


# Australia Portfolio (by City)

**Before  
Acquisition<sup>(1)</sup>**



**After  
Acquisition<sup>(2)</sup>**



Notes:

- (1) Based on 30 properties as at 30 September 2017.
- (2) Assuming No. 108 Wickham Street was acquired on 30 September 2017.

## Benefits to Ascendas Reit

- Further diversifies Ascendas Reit's portfolio
  - Australian assets will make up 16% of the portfolio by asset value (from 15% as at 30 Sep 2017)
  - Australian suburban office segment will increase to 4% (from 3% as at 30 Sep 2017)
  - Assets in Brisbane will make up 32% of the Australian portfolio (from 27% as at 30 Sep 2017)
- Built-in annual rental escalation of 3% to 4% per annum
- Increases freehold land in portfolio

## Benefits to Unitholders

- DPU accretive investment
- Improves earnings stability of Australian portfolio from long leases and quality tenants

# Disclaimer

**This material shall be read in conjunction with the announcement “Ascendas Reit acquires its third suburban office in Australia for A\$106.2 million” released to the SGX-ST on the same day**

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Manager’s current view of future events.

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