

**Press Release**

15 July 2019

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**Suntec REIT enters Adelaide, Australia**

*Acquires Grade A Office Building in Adelaide CBD at  
8.0% initial net property income yield*

**Singapore, 15 July 2019** – ARA Trust Management (Suntec) Limited, the manager of Suntec Real Estate Investment Trust (“Suntec REIT”, and the “Manager”), is pleased to announce that Suntec REIT through its wholly-owned sub trust, Suntec REIT 55 Trust, has entered into a contract of sale and purchase to acquire 100% interest in the freehold Grade A office building located at 55 Currie Street, Adelaide, South Australia for a purchase consideration of A\$148.3 million.

On Suntec REIT’s first foray into Adelaide, Mr Chong said, “We are pleased to expand our footprint in Australia with the acquisition of 55 Currie Street, a Grade A office building situated in the heart of Adelaide’s central business district. Underpinned by a strong cashflow of high quality office tenants, the initial net property income yield of 8.0% will provide immediate DPU accretion upon completion of the acquisition by end August 2019. Unitholders will also enjoy income stability with growth through the annual rental escalations of between 3.50% to 3.75%.”

The twelve-storey property has an approximate net lettable area of 282,000 sq ft and had undergone several rounds of refurbishment. In the recent asset enhancement exercise completed in 2018, major mechanical and electrical plant and equipment that were upgraded included the lift system, chillers and building management system. Solar panels were also installed to improve the sustainability of the building. A 4.5-star NABERS Energy rating was obtained after the upgrading. In addition, end-of-trip facilities were installed together with the upgrading of the central atrium, lift lobbies and toilets.

The property has a committed occupancy of 91.6% with the Commonwealth Government, South Australian Government, Allianz and Data Action as the key tenants. In addition, the

vendor will provide a 27-month rent guarantee for the vacant spaces. The property has a weighted average lease expiry of 4.4 years<sup>1</sup>.

Adelaide is expected to benefit from increased public and infrastructure spending. Sustained investment in defence, medical and renewable energy industries provides a positive outlook for the Adelaide economy. These investments are anticipated to create jobs and boost demand for office space in Adelaide. On the back of these investments, Adelaide CBD has seen new entrants such as BAE Systems, Babcock and Boeing, reducing available stock with contiguous floors. Vacancy rates are expected to fall and office rents to rise, underpinned by the increased investments.

55 Currie Street is located within the western core of Adelaide's central business district and is a 5 minutes' walk to Adelaide railway station. It is also strategically located at the centre of Adelaide's burgeoning laneway network.

Mr. Chong added, "The acquisition of 55 Currie Street further enhances the stability of the REIT's income. Together with the completion of the existing projects under development and the recent acquisition of 21 Harris Street in Pyrmont, Sydney, approximately 17% of Suntec REIT's assets under management and approximately 23% of the income contribution will be from Australia."

The acquisition will be funded by proceeds from the private placement in April 2019.

#### Summary of Acquisition

<b>Address</b>	55 Currie Street, Adelaide
<b>Description</b>	Twelve-storey, Grade A office tower with basement carpark and end-of-trip facility.
<b>Completion</b>	1988
<b>Tenure</b>	Freehold
<b>Purchase Consideration</b>	A\$148.3 mil or A\$526 psf
<b>NPI yield</b>	8.0%
<b>Net Lettable Area (NLA)</b>	Approx. 282,000 sq ft
<b>Committed Occupancy</b>	91.6% <i>(27 month rent guarantee on vacant space)</i>
<b>Key Tenants</b>	Commonwealth Government, South Australian Government, Allianz and Data Action
<b>WALE (NLA)</b>	4.4 years <sup>1</sup>
<b>Typical Floor Plate</b>	16,000 - 28,000 sq ft
<b>Car Park Bays</b>	95
<b>Clean Building Status</b>	4.5-Star NABERS Energy Rating

<sup>1</sup> As at 1 July 2019



55 Currie Street, Adelaide

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## ABOUT SUNTEC REIT

Listed on 9 December 2004, Suntec REIT holds properties in Suntec City, Singapore's largest integrated commercial development (including one of Singapore's largest shopping Mall), a 60.8% interest in Suntec Singapore Convention & Exhibition Centre, a one-third interest in One Raffles Quay, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, and a 30.0% interest in 9 Penang Road which is under construction. Suntec REIT holds a 100% interest in a commercial building located at 177 Pacific Highway, Sydney, a 50.0% interest in Southgate Complex, Melbourne, and a 50.0% interest in a commercial building under development which is located at Olderfleet 477 Collins Street, Melbourne, Australia. Its aim is to invest in income-producing real estate which is primarily used for office and/or retail purposes. Suntec REIT is managed by an external manager, ARA Trust Management (Suntec) Limited. For more details, please visit [www.suntecreit.com](http://www.suntecreit.com).

## ABOUT ARA TRUST MANAGEMENT (SUNTEC) LIMITED

Suntec REIT is managed by ARA Trust Management (Suntec) Limited, a wholly-owned subsidiary of ARA Asset Management Limited ("ARA"). ARA is a premier global integrated real assets fund manager. Gross Assets Managed by ARA Group and its Associates is more than S\$80 billion<sup>2</sup> across over 100 cities in 23 countries.

Driven by a vision to be the best-in-class real assets fund management company, ARA Group and its Associates' businesses include:

- (a) **REITs** – ARA is one of the largest REIT managers in Asia Pacific. The Group directly manages Fortune REIT, dual-listed in Singapore and Hong Kong; Suntec REIT, Cache Logistics Trust and ARA US Hospitality Trust, listed in Singapore; and Hui Xian REIT and Prosperity REIT, listed in Hong Kong. It also indirectly manages REITs in Japan, Australia, Singapore and Malaysia through its associate companies.
- (b) **Private real estate funds** – The Group manages private funds providing investment opportunities in diverse real estate sectors and geographies that cater to different investor risk appetites.
- (c) **Country desks** – ARA operates country desks in China, Korea, Japan, Malaysia, Australia, Europe and the United States. The country desks employ a strong understanding of each local market to facilitate the flow of inbound and outbound capital and cross-country collaborations. ARA has an expanded presence in Japan via its strategic stake in Kenedix, Inc. and in Europe via its strategic stake in Cromwell Property Group.
- (d) **Infrastructure** – ARA Infrastructure was established in 2018 to cater to strong investor demand for global infrastructure investment.
- (e) **Real estate management services** – As part of the Group's investor-operator philosophy, its dedicated property management teams actively work the ground to manage its assets globally.

ARA's multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in-depth local knowledge, enables the Group to offer enduring value to investors. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world's largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

For more information, please visit <http://www.ara-group.com>.

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<sup>2</sup> Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates

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**IMPORTANT NOTICE**

This announcement is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or acquire, units in Suntec REIT (the "Units") in any jurisdiction in which such an offer or solicitation is unlawful.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.

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