

# Property Sector Wrap

## June 2018

A review of listed and unlisted property funds activity for June 2018

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## About Core Property Research

Core Property Research Pty Ltd was established in July 2017 to provide market leading and insightful research on the property funds sector for its clients and investors. Our ratings and research cover sector level research, ratings and recommendations on listed and unlisted property funds, and is built upon the extensive research experience of its staff.

The Core Property team collectively, has over 50 years' experience across property, financial services and investment markets. The team has also evaluated over 500 different funds across multiple sectors and a range of investment structures over the last decade.

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# Property Sector Wrap – June 2018

This month we review of some of the key performance metrics for the financial year end 30 June 2018. Our review covers the 12-month period primarily in the listed property sector, and some comparables in the unlisted property funds for investors to benchmark returns.

We also run through our usual monthly review of the listed and unlisted property funds space. For listed securities, the June distributions have already been announced and fund managers are preparing to report their results in August. In the unlisted property funds space, investors should be looking to receive their June distributions and be on the lookout for June updates, including valuation updates on properties.

So how did the property funds perform in FY18.

## June 2018: Year End Performance

Code	Instrument	30 June 2017	30 June 2018 <sup>1</sup>	12 mth change
XAO	All Ordinaries Index	5,764.0	6,289.7	9.1%
XAOAI	All Ordinaries Accumulation Index	54,897.1	62,434.9	13.7%
XJOAI	S&P/ASX 200 Accumulation Index	55,758.6	63,015.4	13.0%
<b>XPJAI</b>	<b>A-REIT 200 Accumulation Index</b>	<b>42,998.6</b>	<b>48,604.9</b>	<b>13.0%</b>
<b>XPKAI</b>	<b>A-REIT 300 Accumulation Index</b>	<b>42,750.5</b>	<b>48,391.6</b>	<b>13.2%</b>
AUDUSD	Australian Dollar vs US Dollar Spot	0.7687	0.7407	-280 bps
	RBA Cash Rate	1.50%	1.50%	No Change
	US Fed Funds Rate	1.00 – 1.25%	1.75 - 2.00%	+75 bps
BOND10	Australian 10 Year Bond Rate	2.5981%	2.6370%	+3.9 bps
USBON	US 10 Year Bond Rate	2.3012%	2.8650%	+56.4 bps
DYXPJ	A-REIT 200 Yield	5.02%	4.56%	-46 bps

Source: IRESS. Note 1: Based on the last trading day, being Friday 29 June 2018. Accumulation Index includes distributions, which are reinvested.

For the 12 months to 30 June 2018 the A-REIT 200 Accumulation Index delivered a healthy 13.0% return, matching the return of the wider ASX 200 Accumulation Index. It is interesting to note that the bulk of this return was delivered in the final June quarter, where a 10% gain was delivered in the A-REIT 200 Accumulation Index.

The strong performance of the A-REIT sector reflects the relatively stable interest rate environment in Australia, where the RBA has held the cash rate at 1.50%, a level it has maintained since August 2016. This has provided a degree of certainty for the commercial property market during this period and has flowed through to higher valuations announced by the A-REITs. As the higher valuations flow through, many market participants have been finding it harder to acquire properties on terms that are accretive to earnings.

The strong A-REIT performance has also been delivered against a backdrop of softer residential prices in Australia, with many observers believing we are in the middle of a "soft landing", whilst others are predicting double digit declines. Either way, we expect the softer residential market will reduce the likelihood that the RBA will raise the cash rate in the short term, which should provide some support to the commercial property market.

Whilst Australia's cash rate has been stable, the US Fed has raised its Funds Rate by 75 bps in the past 12 months to a range of 1.75% - 2.00%. The most recent increase was in June 2018, and the Fed has also indicated two more rate rises by the end of the calendar year. If this were to occur, Australian commercial property will likely maintain its persona as a relative safe haven for international investors, provided interest rates remain low.

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## Recent Reports:

In the past month, Core Property published reports on:

- [Australian Unity Diversified Property Fund](#) – an open ended, unlisted fund with a diversified portfolio of 8 properties, listed and unlisted securities and cash, targeting a 6.8% distribution yield in FY19.
- [Centuria 80 Grenfell Street Fund](#) – 5-year office fund purchasing 50% of prime Adelaide office tower in conjunction with the Lederer Group, targeting 7.0%+ p.a. distributions. The Fund was fully subscribed and closed to new subscriptions after five days.

The top performing property securities over the past 12 months delivered impressive double digit returns. Our Performance Table on the right has been expanded to a wider selection of 50 property securities, showing Total Returns, which includes distributions during the FY18 period. The list shows a healthy 35 stocks delivering double digit returns during the period, with only one stock, Stockland (ASX: SGP), delivering a small negative return (-3.3%). The top 4 performers are all small-to-mid-cap stocks, highlighting their ability to leverage strong returns from a lower capital base or being subject to M&A activity - Garda Capital (+46.1%), Propertylink (+34.1%), GDI Property (+33.4%) and 360 Capital Group (+32.7%).

Over the past year, distribution yields have been mainly in the 5% - 7% range, with the balance of the returns delivered through increased valuations and improved operational performance from the fund managers.

Some of the top performers include securities which are subject to potential takeover, or rumoured to be a target for takeover, with high total returns from Propertylink (+34.1%), Gateway Lifestyle (+24.2%), Investa Office Fund (+23.8%) and Asia Pacific Data Centre Group (+14.8%). The table naturally excludes securities which were delisted in the past year, following a takeover or merger (Generation Healthcare REIT, Astro Japan Property and Westfield Corporation).

As we enter a new financial year, investors should look closely at commentary and guidance during the August reporting season. The key things to look for: 1) can the A-REITs maintain growth in earnings and distributions; and 2) management outlook on property values.

### Core Property's Key Picks

At the end of the last reporting season, Core Property highlighted eight key picks in our report [Reporting Season Wrap Up December 2017 Results](#). Since 23 March 2018, the eight securities have delivered an average return of 9.6% over the 4-month period. We will be reviewing the performance of these property securities along with other major results released during the upcoming August reporting period.

Code	Name	Price	Price	Capital	Total Return
		23 Mar 18	17 Jul 18	Gain	(incl distributions)
PLG	Propertylink Group	\$0.995	\$1.07	7.5%	11.3%
CIP	Centuria Industrial REIT	\$2.53	\$2.59	2.4%	6.2%
AOF	Australian Unity Office Fund	\$2.27	\$2.50	10.1%	13.6%
CMA	Centuria Metropolitan REIT	\$2.30	\$2.42	5.2%	9.2%
CQR	Charter Hall Retail REIT	\$3.84	\$4.17	8.6%	12.3%
GDF	GARDA Diversified Property Fund	\$1.15	\$1.23	7.0%	10.9%
CRR	Convenience Retail REIT	\$2.70	\$2.70	0.0%	3.7%
VVR	Viva Energy REIT	\$2.00	\$2.20	10.0%	10.0%
<b>Average</b>				<b>6.4%</b>	<b>9.6%</b>

### Unlisted Property Funds

Direct Property Funds delivered a slightly lower return for the 12 months to March 2018 (June 2018 numbers are not available as yet), with the PCA/IPD Australian Property Index delivering a total return of 11.5%, with income returns of 5.7% and 5.8% capital gains.

However Unlisted Property Funds aimed at retail investors have continued to outperform, with a 22.5% return delivered from the PCA/IPD Unlisted Retail Property Fund Index in the 12 months to March 2018. This is in line with the 5-year annualised return for this index of 21.8%.

### A-REIT Performance Table – 12 Month Total Return to June 2018

Code	Name	Total Return
GCM	Garda Capital Group	46.1%
PLG	Propertylink Group	34.1%
GDI	GDI Property Group	33.4%
TGP	360 Capital Group	32.7%
CMW	Cromwell Property	26.7%
GMG	Goodman Group	25.8%
ABP	Abacus Property Group	24.6%
CHC	Charter Hall Group	24.3%
LEP	ALE Property Group	24.2%
GTY	Gateway Lifestyle	24.2%
IOF	Investa Office Fund	23.8%
IDR	Industria REIT	22.9%
INA	Ingenia Group	22.4%
GOZ	Growthpoint Property	22.0%
CNI	Centuria Capital	22.0%
TOT	360 Capital Total Return	21.6%
BWR	Blackwall Property Trust	20.4%
RFF	Rural Funds Group	20.3%
AOF	Australian Unity Office	19.4%
SCP	SCA Property Group	18.2%
CWP	Cedar Woods Property	16.3%
APD	APN Property Group	16.0%
AVJ	AVJennings Limited	16.0%
NSR	National Storage	15.3%
BWP	BWP Trust	15.0%
AJD	Asia Pacific Data	14.8%
PPC	Peet Limited	14.6%
SCG	Scentre Group	13.8%
CLW	Charter Hall Long WALE	13.3%
GDF	Garda Diversified Prop.	12.5%
CIP	Centuria Industrial REIT	11.9%
HPI	Hotel Property Invest.	11.9%
INM	Iron Mountain Incorp.	11.5%
CDP	Carindale Property	11.1%
GPT	GPT Group	10.8%
CQR	Charter Hall Retail	9.9%
BWF	Blackwall Limited	9.7%
DXS	Dexus	7.5%
VCX	Vicinity Centres	7.1%
MGR	Mirvac Group	7.0%
CMA	Centuria Metro REIT	6.6%
APW	Aims Prop Sec Fund	6.6%
RCT	Reef Casino Trust	5.0%
VVR	Viva Energy REIT	4.9%
AVN	Aventus Retail Fund	4.5%
FLK	Folkestone Limited	4.4%
FET	Folkestone Edu Trust	1.8%
ERF	Elanor Retail Property	1.7%
ARF	Arena REIT	1.2%
SGP	Stockland	-3.3%

Source: IRESS, based on the last trading day, being Friday 29 June 2018. Total Return includes distributions, which are reinvested.

## Market Data

### Index Performance

Indices Total Return Performance

Index	Mar-18	Apr-18	May-18	Jun-18	% Movement			
					1 Month	3 Month	1 Year	Calendar YTD
All Ordinaries	5,869	6,072	6,123	<b>6,290</b>	<b>2.7%</b>	7.2%	9.1%	2.0%
S&P/ASX 200	5,759	5,983	6,012	<b>6,195</b>	<b>3.0%</b>	7.6%	8.3%	2.1%
S&P/ASX 200 Accumulation	58,092	60,362	61,021	<b>63,015</b>	<b>3.3%</b>	8.5%	13.0%	4.3%
A-REIT 200 Accumulation	44,171	46,145	47,564	<b>48,605</b>	<b>2.2%</b>	10.0%	13.0%	3.0%
A-REIT 300 Accumulation	44,065	45,950	47,317	<b>48,392</b>	<b>2.3%</b>	9.8%	13.2%	3.0%

Source: IRESS, as at 30 June 2018

The listed Australian property indices underperformed in June with the S&P A-REIT 200 Accumulation Index up 2.2%, compared to the broader S&P/ASX 200 Accumulation Index which was up 3.3%. At the same time, the Australian 10 Year Bond Yield fell 3.6bps to 2.6370% whilst the US 10 Year Bond Yield increased slightly by 0.37 bps to 2.8650%.

At its June 2018 meeting the RBA held the cash rate at 1.50%, the same level it has been since August 2016.

### Bond Yields & Spreads

The yield on Australian government 10-year bonds finished the month at 2.637%, while the trailing distribution yield on A-REITs finished at 4.56%.

As a result, the spread between the two finished at 1.923%.

Since June 2015, the spread between the two has remained in the range of 1.20% - 2.59%.

The correlation between the Australian government 10-year bonds and the ASX/S&P200 A-REIT Yield (monthly) for the past 2 years is 0.695.

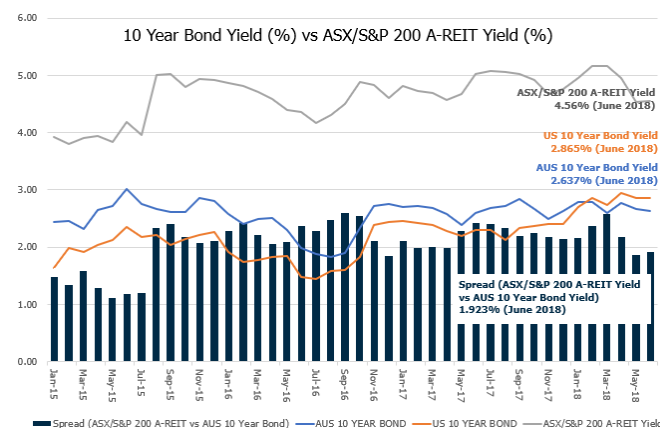
In the US, the Federal Open Market Committee (FOMC) raised interest rates by 25bps in June to a 1.75%- 2.00% range, a move that was widely expected. The FOMC previously raised rates in March 2018, with market indications for 2 more rate rises, bringing a total of 4 rate rises by the end of the calendar year.

### Market Data

Month Ending	Mar18	Apr18	May18	Jun18
AUS 10 Year Bond Rate	2.5977	2.7703	2.6729	2.6370
US 10 Year Bond Rate	2.7382	2.9517	2.8613	2.8650
RBA Cash Rate	1.50	1.50	1.50	1.50
A-REIT Yield	5.17	4.95	4.53	4.56
AUDUSD	0.7680	0.7530	0.7568	0.7407

Source: IRESS, as at 30 June 2018

### 10 Year Bond Yields vs ASX/S&P 200 A-REIT 200 Yield



Source: IRESS

## Listed A-REITs

Top 5 Monthly Total Return – June 2018

	Code	Name	Month Total Return
1	VVR	Viva Energy REIT	9.8%
2	AOF	Australian Unity Office	7.6%
3	AJD	Asia Pacific Data	6.9%
4	CLW	Charter Hall Long Wale REIT	6.6%
5	CMA	Centuria Metropolitan REIT	6.1%

Source: IRESS, Total Return includes distributions

The top performing property security in June was **Viva Energy REIT (ASX: VVR)**. During the month, VVR's key tenant, Viva Energy Australia Pty Ltd (which accounts for 98% of VVR's income) announced plans for an Initial Public Offering (IPO) with a subsequent ASX listing on 13 July 2018 with ASX code VEA. Despite the increase in VVR's security price, VVR confirmed that it will not benefit directly from the IPO. However, Core Property views the successful IPO as providing a well capitalised tenant for VVR, which may lead to further acquisition opportunities for VVR.

The **Australian Unity Office Fund (ASX: AOF)** benefitted from a revaluation of six out of the nine properties in its portfolio. The increase in valuation is estimated to provide an 11.3% increase in net tangible assets (NTA) per unit, with NTA increasing to \$2.57 (from \$2.31 per unit in December 2017). AOF ended the month at \$2.50, being a 2.7% discount to the new NTA.

### Debt

A number of debt initiatives were undertaken during June 2018, including:

- **Cromwell Property Group (ASX: CMW)** restructured its debt facility, increasing its weighted average debt expiry to 5.2 years (from 2.9 years). The new facilities are drawn to \$1B, out of a \$1.3B limit with a weighted average cost of debt of 3.25%, slightly below the previous rate.
- **Industria REIT (ASX: IDR)** established a new \$25M, 5-year debt facility, and extended its December 2018 debt facilities to June 2023.
- **SCA Property Group (ASX: SCP)** completed a US Private Placement for US\$150M (A\$197M) priced at 1.99% above the 3-month BBSW, across various notes with expiries between 10 and 15 years.
- **Viva Energy REIT (ASX: VVR)** entered into two Institutional Term Loans with an Australian based international fund manager and an Australian industry superannuation fund. The loans total \$60M with a weighted average term of 8.7 years. In addition, VVR entered into a series of delayed interest rate swaps for \$368M, effective from 12 August 2019, thereby extending VVR's hedge maturity to 3.9 years (from 2.1 years).

### Transactions

The Listed securities were net buyers of properties during the month:

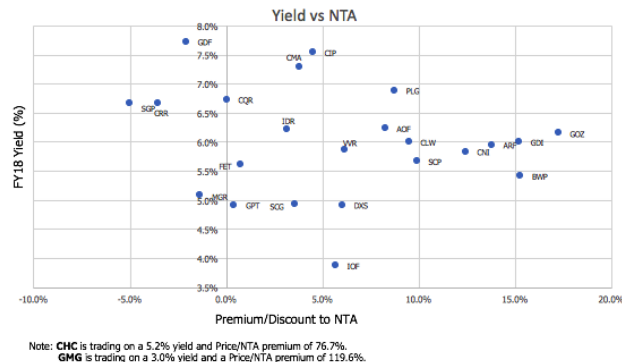
- **Office:** MGR acquired the remaining 50% interest in 275 Kent St, Sydney for \$721.9M, DXS sold 140 George St, Parramatta NSW (undisclosed fee), and CMA sold 3 Carlingford Rd, Epping NSW for \$36M.
- **Industrial:** IDR acquired 13 Ricky Way, Epping VIC for \$15.7M.
- **Retail:** CQR acquired a 50% interest in 621/659 Bellarine Hwy, Leopold VIC for \$117M.

Bottom 5 Monthly Total Return – June 2018

	Code	Name	Month Total Return
1	GDF	Garda Diversified Property	0.2%
2	ARF	Arena REIT	-0.4%
3	VCX	Vicinity Centres	-1.0%
4	SGP	Stockland	-1.8%
5	MGR	Mirvac Group	-3.5%

Source: IRESS, Total Return includes distributions

Yield vs Premium/Discount to NTA



Source: Company announcements, IRESS

## Unlisted Property Funds

During June 2018 we recorded over \$520M in major property transactions across unlisted property funds. The largest transactions included Investa's Commercial Property Fund acquiring 117 Clarence St, Sydney for \$117M; Elanor Investors Group acquiring the WorkZone West building at 202 Pier St, Perth WA from Charter Hall for \$125.25M, and the combined acquisition of the Gateway Plaza in Leopold, Vic for \$117M by the Charter Hall Retail REIT (ASX: CQR) and the Charter Hall Prime Retail Fund.

Although retail transactions have been prevalent in recent months, GPT's Wholesale Shopping Centre Fund announced that it withdrew its campaign to sell the Wollongong Central Shopping Centre. The asset was last valued at \$473.6M in December 2017 on a 5.75% capitalisation rate. In healthcare, Heathley Asset Management established an institutional partnership with Grosvenor Group Limited to purchase a number of healthcare properties across Australia.

The following is a rundown of some key events in unlisted property funds during June 2018.

### Activity

- **Investa's Commercial Property Fund** announced the acquisition of a 15-storey office tower at 117 Clarence St., Sydney NSW for \$153M on a 5.4% yield. The fully leased property comprises 12,500 sqm of office and retail space. The property was last sold for \$81M in 2015.
- **APN Property Group** (ASX: APD) announced the establishment of the **APN Nowra Property Fund**, an unlisted property fund, to acquire the retail property located 198 Princes Highway, South Nowra NSW. The property was originally constructed for the Masters hardware business in 2016 and is fully leased to Woolworths Limited, with 13 years remaining on the lease. The Fund is forecasting an initial NTA of \$1.05 per unit, with the upside in value coming from acquiring the site below valuation. An FY18 distribution yield of 7.8% is forecast, increasing to 8.0% in FY20.
- **Impact Investment Group** announced the **IIG K5 Property Trust** is looking for wholesale co-investors to invest in 25 King St, Brisbane QLD, currently under construction. The Trust is targeting an IRR of 11.2% and a tax effective yield of 7.6% upon completion.
- Elanor Investors Group established the new **WorkZone West Syndicate** to acquire the WorkZone West office building at 202 Pier St, Perth WA. The property will be acquired from the Charter Hall Direct WorkZone Trust for \$125.25M.
- **The Centuria 80 Grenfell Street Fund** has closed its initial investment offering after less than a week. The single A-grade office asset in Adelaide SA is forecasting distributions of 7.0% p.a. (annualised) in FY19
- **Heathley Asset Management** announced a new capital partnership with Grosvenor Group Limited, an international diversified property group, to purchase healthcare properties across Australia. The joint venture will acquire the Mater Women's and Children's Hospital in Townsville and the Westside Private Hospital in Brisbane for ~\$94M.
- **Charter Hall Prime Retail Fund (CPRF)** announced a new joint venture partnership with Charter Hall Retail REIT (ASX: CQR) to acquire Gateway Plaza in Leopold, Victoria for a total purchase price of \$117M. The property located approximately 10km east of the Geelong CBD, has recently undergone a major \$85M redevelopment. Major tenants include Coles and Liquorland, Aldi, Kmart and Bunnings.
- **Yield Plus Infrastructure Fund No.2 (YPI 2)** an unlisted fund by real estate fund manager EG, will acquire a vacant suburban office at 7 City View Road, Pennant Hills NSW for \$32M. The vacant 6,400sqm site is 400 metres from the train station and is expected to be refurbished and re-leased.
- **GPT's Wholesale Shopping Centre Fund (GWSCF)** has withdrawn the Wollongong Central shopping centre for sale, after failing to find a buyer. The 55,600sqm property was last valued at \$473.6M and was placed on the market in March 2018.

## Appendix 1: A-REIT Activity – June 2018

The following is a summary of announcements by the major listed A-REITs during June 2018.

### **AJD: Asia Pacific Data Centre Group**

- 14 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 2.5 cents per unit.

### **AOF: Australian Unity Office Fund**

- 18 June 2018 – Announced asset valuation increases, resulted in an estimated increase of \$42.8M or 9.4% over the preceding book value of the six properties externally valued. Net tangible asset (NTA) is expected to increase by \$0.26 per unit, or 11.3% to around \$2.57 per unit.
- 22 June 2018 – Ellerston Capital Limited advises that it has increased its ownership to 7.37% (previously 6.12%).
- 22 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 3.90 cents per unit.

### **ARF: Arena REIT**

- 19 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 3.20 cents per stapled security.

### **BWP: BWP Trust**

- 5 June 2018 – Announced that it has been assigned an A3 (stable) issuers credit rating by Moody's Investor Service.
- 22 June 2018 – Announces distributions for the six months to 30 June 2018 of 9.0 cents per unit.

### **CDP: Carindale Property**

- 22 June 2018 – Announces distributions for the six months to 30 June 2018 of 20.1 cents per unit.
- 27 June 2018 – Announced the proposed constitution amendments for attribution managed investment trust (AMIT) regime.

### **CHC: Charter Hall Group**

- 8 June 2018 – CHC receives Moody's Baa1 Credit Rating.
- 15 June 2018 – Announced the proposal to adopt the new AMIT Regime.
- 19 June 2018 – Announces distributions for the six months to 30 June 2018 of 16.2 cents per security. The total distribution per security for the year ending 30 June 2018 will be 31.8 cps.
- 29 June 2018 – Announces the RE has amended the constitution to allow the Charter Hall Property Trust (CHPT) to be operated as an attribution managed investment trust under the new AMIT Regime.

### **CIP: Centuria Industrial REIT**

- 4 June 2018 – Provides an operational update, advising gearing has reduced to 37.2% and an increase in NTA to \$2.58 per unit (from \$2.46 at December 2017).
- 22 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 4.85 cents per unit. The total distribution for FY18 will be 19.4 cents per unit.

### **CLW: Charter Hall Long WALE REIT**

- June 2018 – Announces distributions for the quarter ending 30 June 2018 of 6.8 cents per unit.

### **CMA: Centuria Metropolitan REIT**

- 20 June 2018 – Announced the sale of 3 Carlingford Road, Epping NSW for \$36.0M, reflecting a 27.2% premium to the last independent valuations.
- 20 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 4.525 cents per security. The total distribution for FY18 will be 18.1 cps.

### **CMW: Cromwell Property**

- 1 June 2018 – Announced the retirement of Non-Executive Director Andrew Konig, and the appointment of David Blight as Non-Executive Director.
- 18 June 2018 – The Vanguard Group Inc announces an increase in ownership to 7.089% (previously 6.088%).
- 25 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 2.085 cents per security.
- 29 June 2018 – Announces the restructure of debt, with an increase in the weighted average debt expiry to 5.2 years (previously 2.9 years).

### **CNI: Centuria Capital Group**

- 20 June 2018 – Announces distributions for the six months to 30 June 2018 of 4.1 cents per security.
- 26 June 2018 – Ellerston Capital Limited announces an increase in ownership to 8.67% (previously 7.04%).



## **CQR: Charter Hall Retail REIT**

- 5 June 2018 – Established a new wholesale partnership to acquire Gateway Plaza, Leopold, Victoria for \$117M.
- 7 June 2018 – Announced the appointment of Mr Roger Davis as Independent Non-Executive Director and Chair Elect of the responsible Entity for CQR.
- 14 June 2018 – Announces distributions for the six months ending 30 June 2018 of 14.2 cents per unit.

## **CRR: Convenience Retail REIT**

- 14 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 5.0 cents per security.

## **DXS: Dexus**

- 1 June 2018 – Announced it had settled on the sale of its remaining 50% interest of Southgate Complex, Melbourne.
- 19 June 2018 – Announced that 99 of its 103 assets, comprising 44 office and 55 industrial properties have been externally valued as at 30 June 2018. The external independent valuations had resulted in a total estimated \$408M or circa 3% increase on prior book values, with an expected increase in net tangible assets (NTA) per security of ~\$0.40 to ~\$9.56 per unit.
- 19 June 2018 – Announces distributions for the six months ending 30 June of 24.1 cents per security.
- 22 June 2018 – Announced that it had settled on the sale of 140 George St, Parramatta NSW to the Dexus Office Partnership (which it owns a 50% interest).

## **FET: Folkestone Education Trust**

- 20 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 3.775 cents per unit.

## **GDF: GARDA Diversified Property Fund**

- 22 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 2.25 cents per unit.
- 28 June 2018 – Announces NTA at 30 June 2018 is expected to increase to \$1.29 per unit (from \$1.19 per unit at 31 December 2017) as a result of valuation increases.
- 29 June 2018 – Announced that the Board has resolved to make an irrevocable election for the Trust to enter the Attributed Managed Investment Trust (AMIT) regime with effect from 1 July 2017 onwards.

## **GMG: Goodman Group**

- 14 June 2018 – Provides presentation slides for an Investor Day for institutional investors and analysts.
- 25 June 2018 – Announces distributions for the six months ending 30 June 2018 of 14.25 cents per security.

## **GPT: GPT Group**

- 6 June 2018 – Announces it has withdrawn the Wollongong Central Shopping Centre, that was previously on the market to be sold. In addition, GPT reaffirmed its guidance for 2018 of 3% growth for both FFO per security and distributions per security.
- 22 June 2018 – Announces distribution for the six months to 30 June 2018 of 12.61 cents per security.

## **GDI: GDI Property Group**

- 18 June 2018 – Announces distributions for the six months ending 30 June 2018 of 3.875 cents per security.

## **GOZ: Growthpoint Property**

- 20 June 2018 – Announced the commencement of a new office development at the Botanicca Corporate Park in Richmond, Victoria.
- 22 June 2018 – Announces distributions for the six months ending 30 June 2018 of 11.2 cents per security.

## **IDR: Industria REIT**

- 14 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 4.2 cents per security.
- 29 June 2018 – Announces the acquisition of adjoining properties at 13 Ricky Way and 10 Jersey Drive, Epping VIC for a total of \$15.7M, reflecting an initial yield of 7.45%. Announces an additional \$25M, 5-year debt facility to fund the acquisition as well as future growth initiatives. Extended December 2018 debt facilities until June 2023. Total debt facilities are now \$240M.

## **IOF: Investa Office Fund**

- 7 June 2018 – Announces it has secured pre-commitments for 83% of the Net Lettable Area at its development at Barrack Place, 151 Clarence St, Sydney, with practical completion of the property on target for October 2018.
- 13 June 2018 – Announces that IOF and Blackstone have entered into a Scheme Implementation Agreement for Blackstone to acquire all the units in IOF by way of trust scheme.
- 18 June 2018 – Announces distributions for the six months ending 30 June 2018 of 10.15 cents per security.
- 26 June 2018 – Provides a portfolio valuation update with net tangible assets (NTA) per unit expected to increase to \$5.48 per unit (from \$4.95 per unit at 31 December 2017).

## **MGR: Mirvac**

- 6 June 2018 – The Vanguard Group. Inc announces an increase in ownership to 9.483% (previously 8.479%).
- 6 June 2018 – Announces it will exercise its pre-emptive rights to acquire Blackstone's managed fund 50% interest in 275 Kent St, Sydney, for a base transaction amount of \$721.9M.
- 8 June 2018 – Confirms that it has assigned its rights to acquire a 50% interest in 275 Kent St, Sydney NSW to a trust wholly owned by ISPT Pty Ltd.
- 13 June 2018 – Announces distributions for the six months ending 30 June 2018 of 6.0 cents per security.
- 28 June 2018 – Announced it has tightened its earning guidance for FY18 to 15.6 cents per stapled security, at the top end of its previous guidance of 15.3 to 15.6 cents per stapled security.

## **PLG: Propertylink**

- 6 June 2018 – Announced that it will not acquire the property at 1-3 Fitzwilliam Street, Parramatta NSW.
- 20 June 2018 – Provides the ASX with a copy of its Sustainability Report 2017.
- 21 June 2018 – Announced net tangible assets (NNTA) per unit is estimated to increase by \$0.065 per security to \$1.04 per security as a result of valuation increases at 30 June 2018.
- 22 June 2018 – Announces distributions for the six months ending 30 June 2018 of 3.7 cents per stapled security.

## **SCG: Scentre Group**

- 27 June 2018 – Announced the proposed amendments for Attribution Managed Investment Trust (AMIT) regime.

## **SCP: SCA Property Group**

- 13 June 2018 – Announced that it has priced a US Private Placement with aggregate face value of US\$150M (A\$197M). The maturity profile of these notes is US\$30M expiring September 2028 (10 years), US\$70M expiring in September 2031 (13 years), and US\$50M expiring September 2033 (15 years). The notes were priced at a floating rate of 1.99% above the 3-month BBSW, or approximately 4.05% at the current BBSW of 2.06%. The weighted average cost of debt is expected to increase to ~3.9% in FY19 (from ~3.8% in FY18) and the weighted average term to maturity at 30 June 2018 is expected to be 6.3 years (previously 4.8 years).
- 13 June 2018 – Announces distributions for the six months ending 30 June 2018 of 7.1 cents per stapled unit.
- 13 June 2018 – Announced the results of its property valuations as at 30 June 2018. Overall the total portfolio capitalization rate reduced by 14bps to 6.33% at 30 June 2018 (6.47% at December 2017), and the total value of investment properties increased by \$16.1M to \$2,453.8M.

## **SGP: Stockland**

- 22 June 2018 – Announces distributions for the six months ending 30 June 2018 of 13.5 cents per security. This equates to a full year distribution payment of 26.5 cents per security, in line with previous guidance.

## **TGP: 360 Capital Group**

- 25 June 2018 – announces that it expects FY18 earnings to be approximately 5.0 cents per security, below previous guidance of 5.5 cents per security, as a result of the lower returns from its investment in AJD and a delay in the recognition of fee revenue from its non-bank lending business.
- 25 June 2018 – Announces distributions for the quarter ending 30 June 2018 of 2.0 cents per security.

## **VCX: Vicinity Centres**

- 4 June 2018 – Announces plans to sell up to \$1.0B of Sub-Regional and Neighborhood shopping centres, with sale proceeds to be reinvested into value-accretive development opportunities.
- 14 June 2018 – Announces distributions for the six months ending 30 June 2018 of 8.2 cents per security.

## **VVR: Viva Energy REIT**

- 20 June 2018 – Advises that its key tenant, Viva Energy Australia (which accounts for 98% of income) has lodged a prospectus to an Initial Public Offering (IPO) with ASX and admission to the ASX. Viva Energy Australia owns 38% of the VVR's issued stapled securities. VVR does not anticipate the proposed IPO will have a material impact on its business.
- 27 June 2018 – Announced it has entered into binding agreements with an Australian-based international fund manager and an Australian industry superannuation fund under which two institution Term Loans (ITLs) have been made available. The loans total \$60M, with a weighted average term of 8.7 years.
- 28 June 2018 – Announced it has entered into a series of delayed-start interest rate swaps totaling \$368M, with effect from 12 August 2019, the same date as the expiry of the \$368M swap put in place at the time of the VVR IPO. The swap will increase the weighted average hedge maturity to 3.9 years (up from 2.1 years). Drawn debt is now 96% hedged.

## Appendix 2: A-REIT Distributions

The following is a summary of recent and expected distributions for the listed A-REITs.

Distribution Calendar for A-REITs

Ex-Distn Date	Payable Date	Code	Name	Forecast/Actual distribution	Freq	Prior Distn – pcp (cpu)
28 Jun 18	25 Jul 18	AJD	Asia Pacific Data Centre Group	2.50	Qtr	2.43
28 Jun 18	31 Aug 18	CQR	Charter Hall Retail REIT	14.2	HY	14.0
28 Jun 18	31 Aug 18	CRR	Convenience Retail REIT	5.0	Qtr	5.0 (Mar 18)
28 Jun 18	24 Aug 18	IDR	Industria REIT	4.2	Qtr	4.1 (Mar 18)
28 Jun 18	5 Sep 18	LEP	ALE Property Group	10.45	HY	10.25
28 Jun 18	31 Aug 18	MGR	Mirvac Group	6.0	HY	5.5
28 Jun 18	30 Aug 18	SCP	SCA Property Group	7.1	HY	6.7
28 Jun 18	29 Aug 18	VCX	Vicinity Centres	8.2	HY	8.6
28 Jun 18	16 Jul 18	AOF	Australian Unity Office Fund	3.9	Qtr	3.8
28 Jun 18	9 Aug 18	ARF	Arena REIT	3.2	Qtr	3.075
28 Jun 18	31 Aug 18	AVN	Aventus Retail Fund	4.07	Qtr	4.02
28 Jun 18	24 Aug 18	BWP	BWP Trust	9.0	HY	8.88
28 Jun 18	31 Aug 18	CDP	Carindale Property	20.1	HY	20.1
28 Jun 18	31 Aug 18	CHC	Charter Hall Group	16.2	HY	16.2
28 Jun 18	27 Jul 18	CIP	Centuria Industrial REIT	4.85	Qtr	4.85
28 Jun 18	14 Aug 18	CLW	Charter Hall Long WALE REIT	6.8	Qtr	6.4
28 Jun 18	27 Jul 18	CMA	Centuria Metropolitan REIT	4.525	Qtr	4.375
28 Jun 18	24 Aug 18	CMW	Cromwell Property	2.085	Qtr	2.085
28 Jun 18	27 July 18	CNI	Centuria Capital	4.1	HY	5.2
28 Jun 18	30 Aug 18	DXS	Dexus	24.1	HY	23.76
28 Jun 18	4 Sep 18	ERF	Elanor Retail	5.16	HY	5.0008
28 Jun 18	20 Jul 18	FET	Folkestone Education Trust	3.775	Qtr	3.55
28 Jun 18	24 Aug 18	GDF	GARDA Diversified Property Fund	2.25	Qtr	2.35
28 Jun 18	31 Aug 18	GDI	GDI Property Group	3.875	HY	3.875
28 Jun 18	29 Aug 18	GMG	Goodman Group	14.25	HY	13.2
28 Jun 18	31 Aug 18	GOZ	Growthpoint Property	11.2	HY	10.9
28 Jun 18	31 Aug 18	GPT	GPT Group	12.61	HY	12.3
28 Jun 18	27 Aug 18	IOF	Investa Office Fund	10.15	HY	10.2
28 Jun 18	29 Aug 18	NSR	National Storage REIT	4.9	HY	4.6
28 Jun 18	4 Sep 18	PLG	Propertylink Group	3.7	HY	3.62
28 Jun 18	31 Aug 18	SGP	Stockland	13.5	HY	12.9
28 Jun 18	27 Jul 18	TGP	360 Capital Group	2.0	Qtr	1.625
28 Jun 18	31 Aug 18	ABP	Abacus Property Group	9.0	HY	8.75
24 Jul 18	10 Aug 18	VVR	Viva Energy REIT	6.99	HY	6.6
Early Aug 18	End Aug 18	SCG	Scentre Group	11.33	HY	10.86
Early Sep 18	End Sep 18	APD	APN Property Group	TBA	HY	0.75
End Sep 18	End Oct 18	BWF	Blackwall Limited	TBA	HY	1.80
End Sep 18	End Oct 18	BWR	Blackwall Property Trust	TBA	HY	6.50

Source: Core Property, company announcements

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