

NZX announcement – 21 December 2021

Wynyard Quarter Stage 3 commenced

Precinct Properties New Zealand (Precinct) (NZX:PCT) is pleased to announce today it has committed to the development of 124 Halsey Street and the Flowers Building, which is the third stage of the master-planned Wynyard Quarter Innovation Precinct. The project will be undertaken on an un-committed basis and has an expected total project cost of around \$157 million and will generate a yield on cost of circa 5.75% once the building is fully leased.

Scott Pritchard, Precinct's Chief Executive, said, "We continue to observe strong demand for new space, particularly in locations where businesses are positioning themselves to attract talent and people to their organisations. Having developed Stage 2 of Wynyard Quarter on an uncommitted basis and achieving a high level of pre-leasing prior to completion, we are confident that we can achieve a similar result at Stage 3".

Investment in sustainable design continues to follow the market-leading sustainability outcomes achieved in delivering net positive environmental, social and economic value from the developments completed at the innovation precinct to date. The buildings are targeting 6-star Green Star and 5-star NABERSNZ ratings on completion.

The design for Wynyard Quarter Stage 3 showcases the latest in sustainable timber construction innovation, a first for Precinct's development projects with the Flowers Building featuring a timber-frame structure. The overall development will be carbon neutral, with the remaining CO2 emissions unable to be eliminated in design offset through carbon credits.

The development will be undertaken by Precinct in partnership with Eke Panuku Development Auckland. Market leading construction firm, Hawkins have been appointed the main contractor for this development under a fixed price lump sum construction contract. Hawkins have successfully delivered 10 Madden Street and the award-winning GridAKL (12 Madden Street) buildings in earlier stages of the Wynyard Quarter Innovation Precinct. Construction will commence in the coming weeks and is programmed to complete in late 2024.

Today, Precinct is also pleased to provide an update on leasing progress across our development portfolio. At Bowen Campus Stage Two in Wellington, two leading law firms have committed to 2,600 sqm of space across the two remaining floors at 40 Bowen Street.

Pre-committed leasing now represents 96% of the building's office net lettable area by income. At One Queen Street, the project's pre-committed leasing has also increased to now be 91%.

Scott Pritchard, Precinct's Chief Executive, said, "Leasing the majority of the remaining space at 40 Bowen Street ahead of practical completion next year reflects the strong demand for the premium-grade real estate we are developing in unrivalled locations. It is also representative of the demand for high quality office space – despite the lockdown we have leased more office space in 2021 than the previous year, which reflects the preference for business' to work from the office."

Precinct has also secured a new \$300 million bank debt facility. The new facility is for a term of 5 years and provides sufficient funding capacity to deliver the first phase of the development commitment of Wynyard Stage 3 announced today and also refinance the \$75 million senior secured fixed rate bonds (PCT010) which matured on 17 December 2021.

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About Precinct (PCT)

Precinct is New Zealand's only listed city centre specialist investing predominantly in premium and A-grade commercial office property. Listed on the NZX Main Board, PCT currently owns Auckland's HSBC Tower, AON Centre, Jarden House, Deloitte Centre, 204 Quay Street, Mason Bros. Building, 12 Madden Street, 10 Madden Street, PwC Tower and Commercial Bay Retail; and Wellington's AON Centre, NTT Tower, Central on Midland Park, No. 1 and No. 3 The Terrace, Mayfair House, Charles Fergusson Building, Defence House, Bowen House and Freyberg Building. Precinct owns Generator NZ, New Zealand's premier flexible office space provider. Generator currently offers 13,600 square metres of space across nine locations in Auckland and Wellington.