

STRATEGIC AVONDALE ACQUISITION, TIDAL ROAD UPDATE

Property for Industry Limited (PFI, the Company) is pleased to announce the acquisition of the industrial properties located at 670-680 Rosebank Road in Avondale, Auckland and wishes to provide an update on the industrial properties to be acquired at Tidal Road in Mangere, Auckland.

Strategic Avondale Acquisition

PFI has agreed to acquire the industrial properties located at 670-680 Rosebank Road in Avondale, Auckland. Located on a 2.8ha site, there are four buildings leased to two tenants: NZ Comfort Group Limited and Dunlop Flooring Limited.

PFI already owns neighbouring industrial properties on Rosebank and Patiki Roads. When combined with these sites, an industrial estate of 8.6ha valued in excess of \$110 million will be created, just 250 meters from the North Western motorway system. This is a strategic acquisition that presents PFI with a longer-term opportunity to create value by integrating the property with the Company's existing holdings.

The properties are fully occupied and generate an annual rent of around \$1.7 million with a weighted average lease term of over 4 years. The purchase price is \$39.0 million, representing an initial return of 4.4%. The estimated market yield is 4.9%, and settlement of the acquisition will take place during the first quarter of 2021.

Tidal Road Update

On 14 August 2019 and 17 December 2019 PFI announced agreements to purchase industrial properties to be developed at Tidal Road in Mangere, Auckland, for a total of \$54.4 million.

The agreements to acquire these properties were subject to market standard conditions, including sunset dates. Following delays caused by the COVID-19 pandemic and associated New Zealand Government enforced lock-downs, these sunset dates have now been reached and the agreements have been cancelled.

Closing

PFI Chief Executive Officer Simon Woodhams noted: "In line with the update that we provided with our interim result, we have been continuing to target acquiring quality industrial properties in sought-after areas. Whilst it is disappointing that the planned Tidal Road acquisitions will not go ahead, the acquisition of the properties at 670-680 Rosebank Road in Avondale is in line with our strategy and presents a unique opportunity for PFI to increase returns and value in the long term given that we own neighbouring sites. In the short to medium term, the property provides PFI with stable holding income from two excellent tenants."

ENDS



ABOUT PFI & CONTACT

PFI is an NZX listed property vehicle specialising in industrial property. PFI's nationwide portfolio of 94 properties is leased to 147 tenants.

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