
MARKET RELEASE

Argosy to acquire Prime Industrial Building and Land in Wiri

Argosy Property Limited is pleased to announce the agreement to acquire two properties adjacent to Argosy's current industrial facility at 19 Nesdale Avenue, Wiri.

The first, at 240 Puhinui Road, Wiri, entails the purchase on completion of a new design/build facility from one of Argosy's existing valued tenants, Cardinal Logistics ("Cardinal"). Cardinal is a 100% New Zealand owned and operated business who specialise in providing distribution and storage solutions, with a strong focus on grocery products and other fast moving consumer goods. Cardinal have been in operation since 1992.

The property, whose design and specifications will be identical to the very high, modern standard of the existing facility also built by Cardinal, is to be acquired for \$22.6 million. A new 15 year lease will be in place from the settlement date which is expected in December 2016. Rent reviews are three yearly to market or a percentage increase of 4.5%, whichever is greater. The initial net effective passing yield on cost is 6.94%.

In addition to this acquisition, the warehouse facility at 19 Nesdale Avenue, also leased to Cardinal, will have its term extended by three years so both properties will have matching 15 year leases in place.

A separate unconditional agreement has also been reached to acquire an adjacent piece of expansion land at 246 Puhinui Road for \$2.85 million, with settlement expected to be in December 2015. This 0.72 hectares of land enables Argosy to control the dual road accessway, as well as providing expansion land for future development.

The properties are located approximately 3 kilometres west of the Manukau CBD and have good access to the South Western Motorway, allowing direct connection to Auckland International Airport, which is less than 7 kilometres away.

This off-market acquisition is consistent with Argosy's strategy, and increases the weighting to Auckland industrial property. The property will form part of the Core portfolio.

The cost of the two acquisitions will be covered by proposed non Core divestments.

Press enquiries

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Argosy Property Limited

Argosy Property Limited is one of the largest diversified property funds listed on the NZX Main Board. It has a \$1.374 billion portfolio of 67 properties across the retail, office and industrial sectors. Argosy is, and will remain, invested in a portfolio that is diversified by sector, grade, location and tenant mix. The portfolio is located in the Auckland and Wellington markets with modest tenant-driven exposure to provincial markets.