

NZX announcement – 4 June 2020

Development Commitment to Bowen Campus Stage Two

Precinct Properties New Zealand (Precinct) (NZX:PCT) is pleased to announce today it will shortly be commencing construction of the Bowen Campus Stage Two office development in Wellington. The project will be undertaken on a pre-committed basis with leasing to EY and Fujitsu secured totalling 4,093 square metres of office space on a weighted average lease term (WALT) of 9 years.

The new building will be situated at 40 Bowen Street and will be the first of a pair of buildings planned for the site. The building will total 10,049 square metres and consist of 1,200 – 1,700 square metre office floorplates across 6 levels. A Generator facility will also be provided over the ground and first floor, comprising a meeting suite and private offices accommodating circa 300 desks, with EY committing to a portion of the Generator private office desks. Pre-committed leasing currently represents 72% of the building's office NLA (net lettable area) by income. The development project has an expected total project cost of \$90.2 million and is expected to generate a yield on cost of 6.6%, once fully leased. Completion of the project is scheduled for late 2022.

Scott Pritchard, Precinct's Chief Executive, said, "Following the successful delivery of Bowen Campus Stage One, we are very pleased to be progressing the development of the second stage of Bowen Campus. Being able to advance one of the two new office buildings at Bowen Campus is a great result amidst the challenging environment we have been presented with over the last few months. We believe the prime office market in Wellington remains strong and well positioned locally. Having secured quality occupiers as pre-commitments reinforces the demand for quality office space in the Wellington city centre. With discussions currently underway with potential occupiers for the balance of space available, we expect the remaining 2,700 sqm to be fully leased prior to the project's completion."

"While we recognise the uncertainty which remains within the New Zealand economy, Precinct's well located buildings, high quality client base, high occupancy and long weighted average lease term gives us confidence that our strategy will continue to deliver in more challenging times."

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For further information, please contact:

Scott Pritchard
Chief Executive Officer
Mobile: +64 21 431 581
Email: scott.pritchard@precinct.co.nz

George Crawford
Chief Operating Officer
Mobile: +64 21 384 014
Email: george.crawford@precinct.co.nz

Richard Hilder
Chief Financial Officer
Mobile: +64 29 969 4770
Email: richard.hilder@precinct.co.nz

About Precinct (PCT)

Precinct is New Zealand's only listed city centre specialist investing predominately in premium and A-grade commercial office property. Listed on the NZX Main Board, PCT currently owns Auckland's PwC Tower, AMP Centre, ANZ Centre (50%), Jarden House, HSBC House, Mason Bros. Building, 12 Madden Street, 10 Madden Street and Commercial Bay; and Wellington's AON Centre, NTT Tower, No. 1 and No. 3 The Terrace, Mayfair House and Bowen Campus. Precinct owns Generator NZ, New Zealand's premier flexible office space provider. Generator currently offers 13,600 square metres of space across four locations in Auckland.