

NZX announcement - 8 July 2019

Precinct portfolio value increases by \$162 million

Precinct Properties New Zealand Limited (Precinct) (NZX: PCT) today reported a preliminary revaluation gain on its property portfolio of approximately \$162 million (2018: \$208.7 million) or 6.2%. This recorded gain will increase the value of Precinct's portfolio to around \$2.8 billion at 30 June 2019, providing an uplift of 12 cents in Precinct's NTA per share from \$1.38 to around \$1.50 per share.

Draft asset valuations at 30 June 2019 were carried out by independent valuers, are subject to final audit, finalisation of year end book values and will be confirmed in the financial results for the year ending 30 June 2019, to be announced on 16 August 2019.

On a like-for-like basis, Auckland asset valuations increased by around 6.5% and Wellington assets recorded an uplift of 5.4%, compared with 30 June 2019 forecast book values. Valuation gains in Auckland and Wellington were mainly attributable to further market rental growth, capitalisation rate compression and positive leasing activity. In Wellington, while gross market rentals have notably improved over the past twelve months, increases in net rentals were limited due to ongoing increases in rates and insurance premiums.

Scott Pritchard, Precinct's CEO said, "Our development projects have again made a significant contribution to our revaluation gain, in particular Commercial Bay which has achieved further value accretion following continued leasing progress and increase in its expected value on completion."

"This year's preliminary revaluation result of \$162 million confirms the strength in occupier markets, with the majority of the gain across the investment portfolio being attributable to growth in market rents. The portfolio is also benefiting from the strong investment demand for premium inner-city business space, particularly in Auckland."

Precinct's weighted average capitalisation rate has tightened from 5.8% to 5.5% at 30 June 2019.

Ends

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

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%), Zurich House, HSBC House, Mason Bros. Building, 12 Madden Street, 10 Madden Street and Commercial Bay; and Wellington's AON Centre, Dimension Data House, No. 1 and No. 3 The Terrace, Pastoral House, Mayfair House and Bowen Campus.