



BSX / MEDIA RELEASE

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### **APGF acquires \$60 million Westpac Concord Campus**

Australian Property Growth Fund announced today its further expansion into Australia's commercial property capital with the \$60.75 million acquisition of the Westpac Concord Campus in Concord West, Sydney.

The move interstate follows the Fund's successful \$71 million capital raising and recent acquisition of the Sydney-based Elderslie property funds management business encompassing \$480 million worth of properties nationwide.

Managing Director, Geoff McMahon said the Sydney property, which was purpose-built in 1997 for Westpac Bank, is a substantial and quality property offering the Fund stable recurring rental income streams and potential for significant rental reversions.

Located at 7 King Street, the commercial/business park development comprises approximately 16,500 square metres of office accommodation together with onsite childcare facilities, café, gymnasium and 485 car parks.

"The 15,000 square metre office component is on a single level and spans an area the size of around three football fields, giving it one of the largest floor plates of any building in Sydney," Mr McMahon said.

"The property is 100 per cent leased by Westpac and is in excellent condition. It is also well situated in a prime site adjacent to Concord West Railway Station, barely 15 kilometres from the Sydney CBD and a kilometre from Homebush Bay."

Mr McMahon said the acquisition was consistent with the Fund's focus on quality cash flow producing property investments with moderate risk profiles.

Westpac is committed to the property until 1 October 2012, after which it has three five year option periods for renewal. The current rent is \$3,650,000 per annum and the lease allows for annual 3 per cent fixed increases, with a market review on 1 October 2012 and on the exercise of each option.

"The requirement that Westpac restore the building to as new condition in 2012 along with significant potential rental reversions gives the Fund the opportunity to reposition the property and increase its passing yield and valuation," Mr McMahon said.

Under the "double net lease," Westpac is responsible for all outgoings including land tax, rates and insurance in addition to repairs and maintenance through to October 2012. The property houses Westpac administration, processing and call centre operations and its facilities range from a childcare centre to a tennis court and radio station.

"New South Wales has over 40 per cent of Australia's total commercial property by value and we see this acquisition as being a significant step in the diversification of our assets Australia-wide," Mr McMahon said.

"We consider the project a long term cornerstone investment of the Fund."

The outlook for the Sydney CBD fringe property market is strong, with rental gains spurred by the consolidation of business operations, rising population, strong growth in white collar employment and declining CBD office space.

“This Sydney acquisition enhances the Fund’s reputation and branding as a substantial and quality property fund, with approximately \$800 million worth of assets under management spanning the commercial office, residential, retail and industrial property sectors,” Mr McMahon said.

#### **About Australian Property Growth Fund**

Australian Property Growth Fund (BSX code: APF) is a stapled property fund comprising a property trust, Australian Property Growth Trust, which invests in long term passive property investments, and a property funds management and development company, Australian Property Growth Limited.

The Fund has approximately \$800 million worth of assets under management across the commercial office, residential, retail and industrial property sectors, located Australia-wide. APGF’s flagship property is the \$263 million Comalco Place commercial office building in the Brisbane CBD, with other key assets including the \$33 million 99 Melbourne Street commercial office building in South Brisbane and the \$110 million Pavilions on 5th retail and residential development at Palm Beach on the Gold Coast.

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