

MEDIA RELEASE

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Irongate Group acquires office building in Brisbane with 10 year lease

Irongate Group (ASX: IAP; JSE: IAP) has today announced the acquisition of an office building located at 34 Southgate Avenue, Cannon Hill QLD (**Property**) for \$36,000,000, which represents an initial yield of 5.0%.

The property is being acquired on a fund-through basis with construction completion expected to occur in July 2022. IAP will earn a coupon of 5.0% during the construction period. The development is being undertaken by Anthony John Group, a highly experienced Queensland-based developer.

Once completed, the building will comprise 3,520m² of lettable area with two levels of underground car parking, and will be occupied on a 10 year lease by ASX-listed Michael Hill (ASX:MHJ), an international multi-channel retail jewellery chain with 285 stores across the globe. The building will be used by Michael Hill as its global head office and will also provide the tenant with manufacturing and distribution capabilities.

The building is located in the Southgate Corporate Park, 6 kilometres east of the Brisbane CBD in close proximity to the Gateway Motorway, providing excellent connectivity to the northern, southern and eastern suburbs of Brisbane as well as the Brisbane Airport and the Port of Brisbane.

Commenting on the acquisition, IAP CEO Graeme Katz said: “The acquisition aligns with IAP’s strategy of investing in well-located, high quality assets that provide a sustainable income stream for investors. The acquisition will deliver IAP with a brand-new building with 10 years of income growing at 3% per annum supported by a high-quality tenant.”

“The acquisition continues our recent theme of acquiring assets in Brisbane, a market we believe currently offers relative value to both Sydney and Melbourne. Together with the industrial acquisitions in Brendale, Pinkenba, Kingston and Morningside, IAP has deployed close to \$100 million over the past 6 months in Brisbane at an average yield of 5.5% with a weighted average lease term of more than 8 years. Four of the five acquisitions have been on a fund-through basis which provides stamp duty savings of approximately 25 basis points,” Katz added.

The acquisition will be funded by utilising IAP’s existing debt facility.

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