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Dexus (ASX:DXS)

ASX release

2 November 2020

Sale of 60 Miller Street, North Sydney

Dexus today announced that it has conditionally exchanged contracts to sell 60 Miller Street, North Sydney.

The sale will realise net proceeds of $273 million[1], representing a circa 3% premium to the property's book value at 30 June 2020 and supports the solid investment demand for quality office assets.

60 Miller Street is a 17-level, A-grade office tower with ground floor retail across 19,350 square metres, located in the centre of North Sydney's financial district and was built in 1987. At 30 June 2020, the property was 97% occupied and had a weighted average lease expiry of 3.5 years. Key customers include Covermore and Flight Centre.

The sale was the result of an off-market sales process which was enacted following the receipt of unsolicited offers. Settlement is subject to FIRB approval and is expected in mid-2021.

Dexus Chief Investment Officer, Ross Du Vernet said: "This transaction reinforces private market demand for quality office assets in Australia's gateway cities. The sale improves portfolio composition and enables us to organically fund growth in our development and funds management businesses, while preserving capacity for further capital management initiatives."

The net sale proceeds will initially be used to repay debt.

Authorised by Brett Cameron, General Counsel and Company Secretary of Dexus Funds Management Limited.

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About Dexus

Dexus is one of Australia's leading real estate groups, managing a high quality Australian property portfolio valued at $32.0 billion. We believe that the strength and quality of our relationships is central to our success and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own $16.5 billion of office and industrial properties. We manage a further $15.5 billion of office, retail, industrial and healthcare properties for third party clients. The group's $10.4 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.8 million square metres of office workspace across 51 properties, we are Australia's preferred office partner. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by 29,000 investors from 21 countries. With 36 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. www.dexus.com

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1 Net sale proceeds are before transaction costs.