

20 October 2021

Acquisitions and trading update

For the quarter to 30 September 2021, Abacus Property Group (Abacus) [ASX: ABP] has seen solid activity levels and growth across its portfolio of Self Storage locations, and stable operating conditions in its Commercial portfolio, despite the challenging and sometimes severe Covid-19 related impacts across Australia and New Zealand.

Abacus Managing Director, Steven Sewell commented "Demonstrating the benefits of portfolio diversification, first quarter performance was solid with continued momentum in our Self Storage portfolio, particularly pleasing to see. Following an active quarter with deployment of \$370 million of capital into the Self Storage sector, Abacus remains conservatively geared at 30.4%, with sufficient liquidity reserves to enable it to strategically invest where it judges there is long term value and a clear path to income growth."

Acquisitions update

The Group continued to acquire new Self Storage locations and in the quarter to 30 September 2021, has transacted on 22 assets for \$370 million¹. Of these acquisitions \$271 million have already settled with the remaining \$99 million due to settle by end FY22.

Breaking down these 22 acquisitions, 11 were existing Storage King managed stores, five were independently managed and the remaining six are development sites. Highlighting our investment focus on stores located in the top three Significant Urban Areas² (SUA), 12 properties (70% by value) are located in the Sydney SUA.

Self Storage trading update

Trading conditions in our Self Storage portfolio further improved during the quarter to 30 September 2021, following on from the strong results demonstrated in FY21.

Established portfolio ³ metric	1Q22 Average ³	FY21 Average ³
Occupancy by area	92.4%	91.2%
Average Rent per square metre	AUD \$306	AUD \$285
Revenue Per Available Metre (RevPAM)	AUD \$283	AUD \$260

¹ \$257 million previously announced at FY21 results.

² As defined by the Australian Bureau of Statistics. Top three markets by populations are Sydney, Melbourne and Brisbane.

³ Established portfolio: 62 mature stores open at 1 July 2020.

Note: FX conversion calculated on a weighted average monthly spot rate.



Established portfolio occupancy levels increased to 92.4% up from 91.2% at 30 June 2021 while Average Rent per square metre and RevPAM grew to \$306 and \$283 up from \$285 and \$260 respectively at 30 June 2021 as trading conditions continue to strengthen nationally.

Two of our Self Storage development sites at Rowville, VIC and Woonona, NSW offering 10,000 sqm were completed during the quarter and are now open and trading.

Commercial trading update

During the quarter to 30 September 2021, over 5,900 square metres⁴ of Office leasing was completed across 11 transactions with a further 1,790 square metres⁴ of Retail leasing also completed.

Key metric	30 September 2021 ⁵	30 June 2021 ⁵
Office occupancy (by area)	95.5%	95.5%
Office weighted average lease expiry (by income)	3.8 years	3.9 years
Office average incentives	30%	29%
Retail occupancy (by area)	93.6%	92.7%
Retail weighted average lease expiry (by income)	6.4 years	5.4 years

While Covid-19 related disruptions in a number of our key Office markets have impacted leasing transaction volumes, pleasingly occupancy was flat, weighted average lease expiry (WALE) was stable and incentives were only marginally elevated. As our key market of Sydney opens up we are starting to see increased enquiry levels and a willingness to commit to space solutions offered.

Covid-19 related border closures and lockdowns presented a challenging quarter in our Retail portfolio. Despite this backdrop, portfolio occupancy increased to 93.6% from 92.7% at FY21 and WALE extended out to 6.4 years up from 5.4 years as at FY21 due to the acquisition of Myer Melbourne. On a constant portfolio basis, quarter end occupancy was 91.9% and the WALE was 5.2 years. With the easing of restrictions across our Retail portfolio markets we expect to see consumer and customer confidence gradually return.

Rent collection was resilient with 97% of Commercial portfolio rents collected in the first quarter. Abacus has not received any funds from the Australian Government's JobKeeper scheme.

Executive leadership changes

In recognition of his contribution throughout the strategy transition, and his support of key transactions, Gavin Lechem has been appointed to the newly created position of Chief Investment Officer. Gavin will be responsible for the Group's investment activities together with his existing responsibilities of Corporate Development, Legal and whole of group Risk.

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INVESTOR & MEDIA ENQUIRIES

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⁴ On 100% ownership basis.

⁵ Excludes development affected assets.