ASX ANNOUNCEMENT

Abacus acquires two CBD city fringe buildings for $142.35 million

Abacus Property Group has agreed to acquire 452-484 Johnston Street, Abbotsford in Melbourne VIC for $93.5 million and 11 Bowden Street, Alexandria in Sydney NSW for $48.85 million.

452-484 Johnston Street, Abbotsford VIC

Located in the Melbourne city fringe suburb of Abbotsford, the property is fully tenanted as global HQ for a major ASX listed company, on a triple net lease. The property is located in a strategic location in Melbourne's affluent inner east, only 4km from the Melbourne CBD.

The property comprises 16,577sqm of high quality character office space, with an exposed saw tooth roof and heritage façade, plus excellent north-east views over the Yarra River. In addition, there is accommodation for 485 cars. The property will have a weighted average lease expiry of over 5 years at settlement.

11 Bowden St, Alexandria NSW

Located in the Sydney city fringe suburb of Alexandria, the property was built in 2016 providing commercial office space across ground and 3 upper levels. It is fully leased out to 5 tenants with long leases. The property is located in the Sydney city fringe suburb that is characterised by constrained supply and strong competition, 5km south of the Sydney CBD.

The property comprises 5,577sqm of high quality office space providing creative style commercial accommodation and a large rear ground level carpark for a total of 55 car spaces. The property will have a weighted average lease expiry of over 6 years at settlement.

These properties are strategic long term investments. They have been acquired at an attractive rate per square metre and provide access to stable and growing cash flows from high quality tenants. Fringe CBD assets that appeal to the millennial market are expected to provide significant longer term growth prospects particularly as market rates improve and inner suburban areas continue to undergo gentrification and enhanced appeal for occupants with amenity and accessibility to the CBD and driven by elevated levels of infrastructure spend.

It is anticipated both properties will settle by the end of March 2018.

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About Abacus

Abacus Property Group is a diversified property group that specialises in investing in core plus property opportunities across Australia's commercial property markets. Abacus was established in 1996 and listed on the ASX in November 2002. Abacus has achieved a successful track record of acquiring property based assets and actively managing those assets to enhance income and capital growth. Abacus has a market capitalisation of $2.1bn.