GPT

GENERAL PROPERTY TRUST

General Property Trust
Stock Exchange Announcement &
Media Release

GPT TO ACQUIRE PREMIUM SYDNEY OFFICE ASSET

1 April 2004

General Property Trust (GPT) today announced that the Trust will acquire 100% of the third stage of the Darling Park Complex from Lend Lease.

Under the terms of the agreement GPT will acquire the development for a total of $225 million (including land, vacancy allowance and acquisition costs). The purchase of the land, at a cost of $30 million, is anticipated to be complete next week. The 29,000 sqm tower is the final stage of the Darling Park complex and will be built to the same premium standard as Towers 1 and 2, in which GPT has a 50% interest.

The acquisition is anticipated to deliver a first year yield of approximately 7.2% after costs.

Construction of Darling Park 3 will be completed in mid 2006, and a major pre-commitment for the development has already been secured. Marsh and Mercer Human Resource Consulting, part of Marsh and McLennan Companies (MMC), have leased the low rise (representing 14,300 sqm) of the building from completion for a term of 10 years.

Nic Lyons, GPT's Chief Executive said GPT's interest in the first stages of Darling Park was acquired in 2 tranches in 2000 and 2001 and had enhanced the quality of GPT's Office Portfolio and contributed to it's long average lease term and limited capital requirements.

"In acquiring the first stages of the Complex, we were mindful of the future potential represented by the development of the third and final stage of this master planned development. We are pleased to now be in a position, as one of the joint owners of the first two stages, to increase our ownership in what we see as a unique office product located in Australia's premier office market," Mr Lyons said.

GPT's acquisition of the third stage of the complex further extends the Trust's ownership and maximises the efficiency of the marketing and leasing of the Complex as a whole.

Tony Cope, GPT's Office Portfolio Manager, said that the development fits well with the Portfolio's strategy to acquire and own properties that are located in strong markets, leased to quality blue chip tenants, are of Premium and A Grade quality and provide contemporary space and services.

"This acquisition is consistent with our strategy to continually review and enhance GPT's Office Portfolio. In light of recent signs of a strengthening in the office market fundamentals and positive outlook for the Sydney office market, this is an opportune time to acquire an additional quality asset in Sydney, " Mr Cope said.

On completion the building will comprise 18 office levels, with approximately 29,000 sqm of lettable area. Parking for 160 cars will be provided, linked to the Stage 1 and 2 carparks. The building will be constructed with a high standard of services and finishes commensurate with the existing towers. The floor layout, with floor plates of approximately 1,480 sqm, will provide maximum flexibility for tenants and will assist in leasing the remainder of the space, which is on the upper floors and has expansive views.

With close to 50% of the building already leased to a quality tenant, the remainder of the building will be marketed for lease over the period of the development.

"We have over two years to lease the remainder of the space, and given the quality of the space and our positive outlook for the Sydney office market, we expect to see strong interest from prospective tenants. We are confident that the level of rents we are targeting is reasonable and that the high rise space, which boasts superb views, will be attractive to tenants," Mr Cope said.

This acquisition further improves the quality of the Office Portfolio, increasing the average weighted lease expiry and reducing the age of services of the Portfolio. It also increases GPT's exposure to the Sydney office market, where rents are forecast to increase by 6% compound on average over the next five years (Source: JLL).

GPT will undertake a private placement, via a bookbuild, to enhance the Trust's funding flexibility. The presentation relating to the placement is appended.

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