



**ASX Announcement**

22 June 2016

## PROPERTY VALUATION UPLIFT OF \$20.7 MILLION

Arena REIT Group (Arena) has today announced a \$20.7 million net revaluation uplift on its portfolio of childcare and healthcare properties as at 30 June 2016.

A total of 30 childcare assets (representing 18% of total assets) were independently valued as at 30 June 2016, with the remaining 164 childcare assets and seven medical centre assets assessed by the Directors in accordance with Arena's valuation policy.

A summary of revaluation movements by portfolio is detailed below:

	Revaluation movement (since 31-Dec-15)		Weighted average passing yield	
	\$m	%	30-Jun-16 %	Change (since 31-Dec-15) bps
Healthcare portfolio	3.4	4.7	7.25	(35)
Childcare portfolio	17.3	4.5	7.31	(29)
<b>Total portfolio</b>	<b>20.7</b>	<b>4.5</b>	<b>7.30</b>	<b>(30)</b>

The revaluation uplift reflects the annual rental growth inherent in the portfolio, completion of development projects during the half-year, as well as a 30 basis point tightening in the portfolio's weighted average passing yield to 7.3% as at 30 June 2016, down from 7.6% at 31 December 2015.

For the financial year ended 30 June 2016, revaluations have contributed a total of \$50.7 million to the value of investment properties, and the weighted average passing yield on the portfolio has firmed 70 basis points from 8.0% at 30 June 2015.

Arena's Managing Director, Mr Bryce Mitchelson said "Transactional evidence in the direct property market continues to support a firming in yields for specialised property assets with defensive characteristics. Our portfolio of quality childcare and healthcare assets with long term leases, strong tenant covenants and structured rental growth is well positioned in the current low inflation environment."

Portfolio revaluations as at 30 June 2016 remain subject to review by Arena's external auditors. Further details of revaluations and movements in book value will be provided in the FY16 Annual Results scheduled for announcement in August 2016.

– ENDS –

Arena REIT Limited (ACN 602 365 186)  
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**About Arena REIT**

Arena REIT is an ASX300 listed property group that owns, manages and develops specialised real estate assets across Australia. Our current portfolio of social infrastructure assets are 100% leased to a diversified tenant base in the growing childcare and healthcare sectors. To find out more, please visit [www.arena.com.au](http://www.arena.com.au)