

22 October 2024

## SALE OF NORTH LAKES

Garda Property Group (Garda) announced today that it has exchanged a contract for the sale of its 25-hectare industrial development site at North Lakes, Queensland (North Lakes).

An ESR managed fund will acquire North Lakes for \$114.0 million, with settlement to occur not earlier than five months from today, and only after:

- Foreign Investment Review Board approval is received;
- completion by Garda of all remaining civil, intersection and road works (expected cost to complete of \$11.2 million);
- Moreton Bay Regional Council issues titles to the land; and
- minor ground preparation works following issue of the titles.

These conditions are all expected to be satisfied during the fourth quarter of FY25.

The North Lakes sale releases \$114.0 million of capital (before costs) and enables Garda to repay all of its variable rate debt, reducing its gearing from 36.5% (30 June 2024) to approximately 22% at settlement.

Garda acquired North Lakes in June 2021 for \$16.0 million with the intention of developing an integrated industrial precinct pursuant to its 'develop-to-own' strategy. After factoring in the expected cost of the remaining works the sale price is less than a 2.4% discount to the independent on-completion value of \$116.8 million and represents approximately 22% of Garda's property portfolio.

Garda's Executive Chairman, Matthew Madsen, said: "When fully developed, North Lakes will be one of Queensland's leading industrial estates and we are disappointed not to be developing it out. The scale of this project is simply too large for Garda to deliver in the current environment. This transaction places Garda into a strong financial position. Our owners should benefit from any improvement in property markets or broader economic conditions, and we also have scope to be opportunistic in the event of continued weakness."

Garda is committed to its 'develop-to-own' industrial sector strategy while mindful that the current market conditions may also present compelling established property acquisition opportunities.

Garda's established portfolio has a weighted average capitalisation rate of 6.06% and its securities are currently trading at \$1.135, a 33.6% discount to NTA of \$1.71 (30 June 2024).

It is the intention of the Garda board to make a one-off special distribution to assist securityholders with the tax associated with the capital gain from the sale of North Lakes. The final amount and timing of the distribution will be determined following settlement and finalisation of the tax position for the relevant financial year.

**– END –**

Authorised for release by: Matthew Madsen (Executive Chairman)

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