
MARKET RELEASE

\$64 million development planned for Wellington CBD

Argosy is pleased to announce it is undertaking a \$64 million development at its 8-14 Willis Street property in Wellington's CBD. The development will create a substantially new 11 Level, 11,800m² building that will target a 6¹ Green Star Built rating and 5 Star² NABERSNZ energy efficiency rating. Construction is expected to take 24 months and be completed by April 2021.

Argosy has entered into a new 15-year lease with the Crown (Statistics New Zealand) to occupy the entire building, other than the 500m² ground floor retail component. Argosy is in current negotiations for a lease on this space. Like many Crown departments, Statistics New Zealand are focused on sustainability and agile working environments. This means creating flexible, adaptable and productive work spaces for employees. The building will be designed to attract and retain staff, encourage creativity and collaboration to deliver a more effective public service.

Following the successful collaboration with McKee Fehl in the redevelopment of 15 Stout Street in 2013-14, Argosy has engaged them as the 'design and build' construction contractor. Argosy's obligations to the Crown in this project are reflected in our agreement with McKee Fehl.

During construction the building will be strengthened to 130% of New Building Standard. It has an independent valuation on completion of \$94 million. The development is projected to deliver an internal rate of return of 8.2% and a 7.2% initial yield.

Argosy Chief Executive Officer Peter Mence said "We are very pleased about working with Statistics New Zealand and this development is consistent with our strategy of creating value through the execution of Value Add opportunities. The green development will see Crown employees benefit from a refurbished building delivering a modern, functional and appealing workspace environment. Argosy investors will benefit from a new high quality and modern asset in the portfolio and an increase in net tangible asset backing."

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Enquiries

Peter Mence
Chief Executive Officer
Argosy Property Limited
Telephone: 09 304 3411
Email: pmence@argosy.co.nz

Dave Fraser
Chief Financial Officer
Argosy Property Limited
Telephone: 09 304 3469
Email: dfraser@argosy.co.nz

Stephen Freundlich
Head of Investor Relations
Argosy Property Limited
Telephone: 09 304 3426
Email: sfrundlich@argosy.co.nz

¹ 6 Green Star Rating = World Leadership as defined by the New Zealand Green Building Council rating criteria.

² 5 Star NABERSNZ Rating = market leading performance as defined by NABERSNZ.