



Market Release

7 May 2021

31 March Year End Valuation Update

Argosy Property Limited ('Argosy') today announced that for the 12 months to 31 March 2021, it has recorded a full year portfolio revaluation gain of \$157.7 million, an 8.5% increase over book value. Of this \$79.8 million was booked in the 30 September 2020 interim result.

Since the desk-top valuations undertaken in September 2020, New Zealand's commercial real estate market has continued to experience firming in capitalisation rates, consistent with low interest rates.

By location, Auckland was the largest contributor to the revaluation gain with \$150.2m of the total portfolio gain. By sector, Industrial provided the greatest contribution at \$129.9 million, up 15.2%. The Office portfolio declined by \$1.5 million, and Large Format Retail increased by \$29.3 million. More detail is provided in the appendix to this release.

The Industrial sector experienced solid cap rate firming and market rental growth in the period. The Office portfolio revaluation was weighed down by additional capital required for the façade repairs at 7 Waterloo Quay and increased development costs at 8-14 Willis Street/360 Lambton Quay.

The valuations as at 31 March 2021 remain subject to audit (by Deloitte) and will be confirmed in the financial results to be announced to the market on 19 May 2021.

Peter Mence, CEO of Argosy said, "Argosy's diversified portfolio of quality assets continue to demonstrate its resilience."

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ENQUIRIES

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APPENDIX - VALUATION SUMMARY

	31 Mar 21 Book Value (\$m)	31 Mar 21 Valuation (\$m)	Δ \$m	Δ %	Market Yield ¹	
					31 Mar 21	31 Mar 20
Auckland	1,296.3	1,446.5	150.2	11.6%	5.59%	6.22%
Wellington	519.8	523.4	3.5	0.7%	6.62%	7.19%
North Island Regional & South Island	37.0	41.0	3.9	10.7%	6.41%	6.98%
Total	1,853.1	2,010.8	157.7	8.5%	5.78%	6.41%

	31 Mar 21 Book Value (\$m) ¹	31 Mar 21 Valuation (\$m)	Δ \$m	Δ %	Market Yield ¹	
					31 Mar 21	31 Mar 20
Industrial	855.0	985.0	129.9	15.2%	5.42%	6.17%
Office	814.2	812.7	(1.5)	-0.2%	6.43%	6.83%
Large Format Retail	183.9	213.2	29.3	15.9%	5.65%	6.23%
Total	1,853.1	2,010.8	157.7	8.5%	5.78%	6.41%

1. Market Yield at 31 March 2021 excludes 7 Waterloo Quay, 8-14 Willis Street/360 Lambton Quay. The Market Yield at 31 March 2020 excludes 7 Waterloo Quay and 8-14 Willis Street/360 Lambton Quay, 180 Hutt Road & 54-56 Jamaica Drive.

Note: Due to rounding, numbers presented in this presentation may not add up exactly to the totals provided and percentages may not reflect exactly absolute figures.