



**Auckland Real Estate Trust  
ASX / NZX Announcement  
14 December 2021**

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**The Auckland Real Estate Trust (“ARE”) is pleased to provide an update on a range of initiatives which were underway at financial year end including continued progress on leasing and further advancement of the Fusion project and capital raising initiatives.**

Auckland entered Covid lockdown on 17 August 2021. While there has been a delay in both construction and leasing over this period, the portfolio has been actively positioned to benefit from the positive outlook for the office market once Auckland re-emerges from lockdown.

During the lockdown, progress has been maintained on several ongoing initiatives:

- Rental income has not been affected significantly – since Covid lockdowns began, the rent relief provided to tenants has on average equated to 0.7% of the annual gross revenue.
- Overall occupancy across the property portfolio increased, with 1 Albert Street occupancy now at 82%, a 30% increase over the 30 June 2021 occupancy level.
- New tenants across the property portfolio are a mix of SME and international companies, including Expedia, Jasper, Denning Investments, Lockton and Yealands Wines.
- Detailed design and costings have been completed for the Fusion project at Aotea Station, with consumer electronics group Oppo committing to the development as a lead tenant.
- The maturity date on the debt finance for each property has been extended, with the banking syndicate also committing to an increased facility of \$15m to cover leasing and capital investment across the portfolio.
- A leading New Zealand investment bank have been retained to advise on the options for future growth and expansion of the property portfolio.

### **Covid**

The Government’s proposed rent relief policy has assisted in the establishment of a process for tenants who request rent relief. The majority of rent relief provided has been to retail tenants, which account for 3% of the total lettable area across the property portfolio.

We have maintained active contact with tenants, ensuring that the property portfolio is operating as normal with the necessary guidelines in place.

### **Leasing**

Pleasingly, the positive leasing momentum seen prior to the lockdown has been maintained, with tenants supportive of the Alberts leasing strategy. In the 7-week period between 1 July and 17 August, 12 tenants committed to new leases across the property portfolio.

As Auckland moves towards a return to normal, we have seen a significant pick up in leasing enquiry. The adoption of a tenant focussed leasing strategy, which has a built-in hub and node work strategy if required by the tenant, has allowed the property portfolio to be positioned to capture tenant interest in the workplace as a place to reconnect, meet and relax.



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### **Capital markets**

The debt facilities across the property portfolio have been increased with a new \$15m facility to fund leasing and capital expenditure, with all debt extended until late 2022 to allow flexibility in managing the capital sources.

A leading New Zealand investment bank have been retained to advise on the options for future growth and expansion of the property portfolio.

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### **About ARE**

ARE is the only pure-play Auckland CBD office property entity listed on the ASX and NZX. Auckland is one of the leading office markets in Australia and New Zealand, with favourable supply/demand dynamics. ARE's investment strategy is to acquire assets where it can add value and revenue, redeveloping and repositioning them to generate both income and capital returns.