

NZX announcement – 5 June 2024

PCT advances living strategy

Precinct Properties Group (Precinct) (NZX: PCT) is pleased to announce today further progress as it advances its strategic growth in the living sector.

Today, Precinct is pleased to announce:

- Precinct's entry into the student accommodation sector with the acquisition of 256 Queen Street, Auckland to develop a Purpose-Built Student Accommodation (**PBSA**) facility;
- Growth in Precinct's residential Build-to-Sell pipeline, with the entry into an agreement with Eke Panuku Development Auckland to conditionally acquire a site at the junction of Dominion Road & Valley Road in Mount Eden, Auckland for a high-density residential apartment development; and;
- Reflecting strategic progress on Precinct's living sector activities, a move to 100% ownership of Precinct Properties Residential Limited (**PPRL**), the joint venture established with Tim and Andrew Lamont in 2022.

Scott Pritchard, Precinct CEO said, "As a long-term owner and developer of real estate in New Zealand's largest city centres, the progress announced today demonstrates Precinct's commitment to further growth in the living sector. We are excited to be growing the platforms we have created and participate in a market where we see significant opportunity over the long term. Furthering our investment and simplifying our business in the living sector is highly consistent with our capital partnering strategy, with strong investment appetite from capital partners for high quality investment opportunities in this sector."

In line with Precinct's wider living strategy, Precinct is pleased to announce its entry into the student accommodation sector. This move follows extensive research, which forecasts strong demand growth and limited new supply in this sector in New Zealand, and recognition that this growth has delivered strong investment returns in cities with similar market dynamics globally. Precinct is well positioned to participate in this sector, with the combination of its development expertise, city centre knowledge, residential development experience and capital partnering platform.

256 Queen Street, with frontage to Lorne Street, is ideally located for PBSA development in close proximity to the University and midtown Auckland amenities. Initial designs show potential for over 500 self-contained studio units, bringing an inspiring new standard of student accommodation to Auckland city. The redevelopment of the site will include the restoration of the historic Auckland Savings Bank as a separate retail and commercial component, and Precinct is excited to be contributing to the regeneration of Auckland's midtown precinct.

Scott Pritchard, Precinct CEO said, "Precinct has a clear vision to create new, best in class, student accommodation and we see significant growth potential and value in this market for our business to outperform. Reflecting these attractive characteristics, there is strong investment interest in the PBSA sector, and we anticipate that our investment in PBSA will be alongside a capital partner."

The acquisition of 256 Queen Street for \$9 million is expected to settle at the end of June 2024.

Precinct also announces today further progress on its residential build-to-sell pipeline, through an agreement with Eke Panuku to conditionally acquire and redevelop the 5,250 square metre residential and commercial site of 198-222 Dominion Road & 113-117 Valley Road in Mount Eden, Auckland. The site has frontages to both Dominion and Valley Roads providing easy accessibility to shops, restaurants, and various public transport hubs in Mount Eden.

Scott Pritchard, Precinct CEO said, "We are very pleased to secure this well-located residential development opportunity within Auckland's city fringe. The Dominion and Valley Road project represents a strong strategic fit for Precinct's residential strategy. Pleasingly, we continue to observe strong demand from both funders and potential capital partners to participate in Precinct's residential projects."

"We look forward to again working in partnership with Eke Panuku and together engaging with the wider community to deliver this \$160 million plus development".

The acquisition of 198-222 Dominion Road & 113-117 Valley Road for \$13.25 million is expected to take place in late 2025 following satisfaction of certain conditions.

Scott Pritchard, Precinct CEO concluded, "With the strong progress in our living strategy over the last 18 months and the further growth announced today, we are moving to strengthen and simplify this part of our business through acquiring the remaining 50 per cent interest in the residential development management business joint venture, PPRL. PPRL was established in 2022 with the founders of Auckland based private equity real estate developer Lamont &

Co. and has been a natural extension of Precinct's core strategy. Moving to 100% ownership strengthens Precinct's residential platform and enhances our market position. Pleasingly, both Tim and Andrew Lamont have committed to Precinct for a further 5 years and will work with us in further advancing this strategy".

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About Precinct (PCT)

Listed on the NZX Main Board under the ticker code PCT and ranked in the NZX top 30, Precinct is the largest owner, manager and developer of premium inner-city real estate in Auckland and Wellington. Precinct is predominantly invested in office buildings and also includes investment in Generator, Commercial Bay retail, third party capital partnerships, and a multi-unit residential development business. For information visit: www.precinct.co.nz

On 1 July 2023, Precinct effected a restructuring to create a stapled group structure. A stapled group comprises two listed parent companies whose shares are held by the same shareholders in equal proportions. The shares in each parent company can only be transferred or dealt with together.

Shareholders in Precinct Properties Group ("**Precinct**") hold an equal number of shares in Precinct Properties New Zealand Limited ("**PPNZ**") and Precinct Properties Investments Limited ("**PPIL**") and these shares can only be dealt with together. The stapled issuers are described as "Precinct Properties NZ Ltd & Precinct Properties Investments Ltd (NS)" on NZX systems and the ticker code for the stapled shares remains PCT.