



**Auckland Real Estate Trust
ASX / NZX Announcement
12 April 2021**

Auckland Real Estate Trust provides an update on rent collection levels and leasing since commencement of Covid 19.

- **Average 92% of rents received during the lockdown phases, with rent relief provided to mainly retail tenants and travel related businesses.**
- **Alberts workspace solution, www.alberts.nz, launched in November 2020, ahead of the completion of the new entrance and lobby to 1 Albert Street.**
- **5,152sqm of new workspace leased spread across three products, Alberts Private Suites, Alberts Bespoke and Traditional leases, at an average gross rent of \$750sqm and generating approximately \$3.80m of additional revenue from national and multi-national tenants.**
- **New workspace leases WALE in excess of 6 years, which increases to 10 years once options are included.**

ARE investment strategy is focussed on value add assets which are well located with short WALE's due to neglect or age and are suited to repositioning to deliver growth. During repositioning, existing income is retained whilst the new workspaces are created and leased under the Alberts leasing strategy.

Currently, the available portfolio for repositioning comprises approximately 16,000sqm of which 5,125sqm of new workspace has been completed and leased, with a further 4,500sqm being prepared for lease under the various Alberts workspace products. The leasing strategy for 1 Albert Street has been to hold back a number of continuous floors until the repositioning of the new office lobby is completed. These floors are now being offered for lease and are expected to lease in the near term based on current demand.

87 Albert Street is not currently included in the portfolio for repositioning due to the proposed consolidation of the property with the new acquisitions, 16 Kingston and 60 Federal Streets to create the Fusion project. The Fusion project will add a further 14,500sqm of new workspaces over the next two years.

The Viaduct Harbour properties continue to attract tenants due to their location and the lack of SME workspaces available in this area. The activation of 12 Viaduct Harbour with a new café, Lawn, F45 gym and new end of trip facilities, has improved the tenant amenity, with the properties 98% leased.

Tenant demand remains strong, with demand across all three Alberts leasing products:

Alberts Private Suites provide a seamless plug and play solution. They are available on flexible, all-inclusive rental terms with no tenant investment required. Tenants can reduce their footprint due to their access to the facilities at the Alberts Club, while upgrading to a modern city location. Tenants include ETOS, Logos, Match Realty and Graham Consulting.

Alberts Bespoke is designed collaboratively to suit the tenant's specific needs. The sophisticated workspace is built, furnished and fitted by Alberts with no tenant investment. Alberts all-inclusive rent packages are easy to budget without the capital expenditure. Tenants include Ray White, Korn Ferry and Bolton Equities.

Traditional. All Alberts locations offer traditional tenancies with complete flexibility. Delivered as an empty space, the tenant can design and build with Alberts providing a market-based incentive package. Alberts membership can be included at a monthly, per person fee. Morrison Kent and TT Services NZ are examples of this style of tenancy.

“Alberts makes you feel like you are getting everything that a big corporate would get and for a SME that’s awesome!” Sarah Bailey, Graham Consulting.

Executive Chairman Andrew Saunders says, “The take up of the various leasing products Alberts offers is very pleasing, all the new workspaces have been leased and we are now pre-leasing, particularly the Private Suites. In May, the completion of Alberts Club, a private club for tenants and their guests will deliver a key part of our workplace solution strategy, with best in class meeting technology, including a private cinema for presentations and obviously, movies. As we continue to develop the portfolio and workspace product at the various properties, the brand awareness will increase, and we are confident that tenant acceptance will continue.”

Andrew Saunders
Executive Chairman

ARE.

ARE is the only pure play Auckland CBD office property listed on the ASX and NZX. Auckland is one of the leading office markets in ANZ, with favourable supply / demand dynamics. ARE investment strategy is to acquire assets where it can add value and revenue, generating both income and capital returns.