

Lendlease industrial fund signs Australia-first renewable energy program for up to \$20 million

Sydney, 3 March 2021: In a first for Australian industrial investment market, Lendlease's Australian Prime Property Fund (APPF) Industrial has signed an agreement of up to \$20 million value for a program to facilitate the use of solar and alternate clean energy technologies across its portfolio.

APPF Industrial has partnered with renewable energy fund Solar Bay to deliver solar systems, energy storage and renewables initiatives for its assets and tenants. The program aims to lower tenants' energy costs and reduce the portfolio's carbon footprint through green technology.

As part of the program, Solar Bay will install, operate and maintain solar photovoltaic systems on assets that qualify through Power Purchase Agreements. This approach to solar implementation provides a capital light strategy to install solar photovoltaic systems that benefits the fund, its tenants and the environment.

While focused on solar, the program has the ability to support investment in alternative technologies, including battery storage, thermal chilled water storage, electricity demand management systems and alternative fuels.

Lendlease has a demonstrated track record in implementing market leading sustainability initiatives across its property portfolios. Its Australian funds have a commitment to be Net Zero Carbon by 2025 for Scope 1 and Scope 2, as well as powered by renewable energy by 2030. APPF Industrial recently ranked first in Australia and New Zealand for the industrial sector in the 2020 GRESB Real Estate Assessments¹.

APPF Industrial and Solar Bay negotiated the deal and period of exclusivity for the portfolio, with the strategic partnership opportunity brought to the fund by Hugh Gilbert of Colliers International.

Quotes attributable to Scott Mosely, Managing Director, Lendlease Funds Management:

"Interest from our tenants for solar energy solutions has been very strong and we expect the discounted electricity from the use of solar to provide significant financial and environmental benefits."

"This APPF Industrial solar initiative delivers on our commitment to ESG, as well as supporting tenants in meeting their own environmental commitments."

"As investors and managers seek to decarbonise their investments, we believe that net zero carbon real estate will deliver long-term risk adjusted returns, attracting and retaining tenant and investment partners."

Quotes attributable to Andrew Archibald, Investment Director at Solar Bay:

"The opportunity for on-site renewable energy solutions has never been greater. Industrial facilities are well placed due to their large floorplates, allowing for extensive

on-site generation via rooftop solar.

“When paired with battery storage, demand management, and the electrification of transport, the outcome is a competitive energy solution for both tenant operations and transport, with near-zero emissions.

Solar Bay are delighted that Lendlease is taking such a progressive approach in their carbon reduction strategy.”

Quotes attributable to Hugh Gilbert, Colliers International:

“This is a great initiative by Lendlease and will benefit their industrial tenants through cost savings and a positive effect on the environment.

“The majority of institutional landlords have failed to prioritise renewable energy and currently less than 5% of buildings in the country’s biggest industrial market, Melbourne West, have solar systems. However, we are beginning to see more interest from institutions in the renewable space, with many currently assessing initiatives and programs at a portfolio level.”

For more information please contact:

Jay Pleass
General Manager, External Affairs
jay.pleass@lendlease.com
+61 412 623 578

¹ The 2020 GRESB real estate results provide aggregated information on 96,000 properties in 64 countries, representing more than US\$4.8 trillion in gross asset value of property assets under management from over 1,200 GRESB participants.

