

Lendlease and Morgan Stanley Real Estate Investing form joint venture to acquire eight industrial assets

Sydney, 20 September 2021: In a move that takes advantage of the growing industrial sector, Lendlease in a 50/50 joint venture partnership with an investment vehicle sponsored by Morgan Stanley Real Estate Investing, has acquired a portfolio of eight assets from a private logistics group.

The assets comprise five leased industrial facilities and three development sites, with a developed value of approx. \$430 million. EMKC will undertake development management and its APAC business the property and facilities management services for the sites.

The intention is to grow the joint venture through the acquisition of develop to core industrial assets provided through pipeline opportunities sourced by Lendlease and its development manager EMKC.

Lendlease will seek to sell down part of its 50% share over time to institutional capital partners and maintain a co-investment stake.

The five operational assets are leased on 15-year terms and total approx. 100,000 sqm GLA. Located in prime industrial locations with excellent transport connectivity they comprise of assets located in:

- Altona North Vic
- Glendenning NSW (2 assets)
- Salisbury South SA
- Richlands Qld

The three developments sites are also located in core industrial precincts Altona North Vic, Truganina Vic and Lytton Qld.

Along with acquisitions made by Lendlease's Australian Prime Property Fund Industrial, over the last four months Lendlease has through its funds and mandates acquired approx. \$720 million in industrial assets.

Chris O'Brien from CBRE managed the sale process.

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

"The industrial sector has been a strong performer for Lendlease and this acquisition provides additional scale and diversity to our industrial platform with development opportunities that are increasingly attractive to our investors. We aim to grow this platform over time with a focus on develop to core assets, including further potential opportunities with EMKC.



“The sector has experienced strong tailwinds over recent years that continue to accelerate. The growth in e-commerce, improvements in automation and the demand for last mile logistics and pick-up convenience for shoppers are key themes that will continue to drive growth.”

Quotes attributable to Edward McKenna, Director and Co-Founder, EMKC:

“EMKC is delighted to be partnering with Lendlease and Morgan Stanley Real Estate Investing for the development and growth of the new joint venture industrial platform. With a strong focus on medium to large format industrial and logistics development across the East coast of Australia, EMKC is well placed to provide an ongoing pipeline of develop to core assets for the partnership over the coming years.”

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