

ESR Australia Development Partnership to purchase 79 ha site in South East Melbourne

- *The property will ultimately be held by the recently announced ESR Australia Development Partnership (EADP), a logistics focused development partnership with GIC and will be the EADP's first acquisition.*
- *Sizeable acquisition in a burgeoning growth corridor, one of the few remaining large-scale development parcels in South East Melbourne.*

SYDNEY/HONG KONG, 15 July 2020 – ESR Cayman Limited (“ESR” or the “Group”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, is pleased to announce the agreement to acquire a strategically significant 79-hectare development site at 590 & 620 Western Port Highway in Cranbourne West, Victoria, Australia, by EADP. The site is located in the premier industrial precinct of South East Melbourne and represents one of the last large, contiguous land tracts in the area.

The site will be developed into a premium-grade logistics hub with an expected end value of circa A\$450 million (circa US\$315 million). The site is ideally situated to service the growing, affluent population of South East Melbourne, and to take advantage of the strong demand from users across the south-east. Major retailers and online groups such as Aldi, Amazon, Bunnings, Grays Online and Woolworths have established distribution centres in the surrounding precinct.

With an 850m frontage on Western Port Highway and direct access to major roads, the estate will offer reduced logistics costs for customers and hence rival other estates in the area. Customers will benefit from the direct route to the Monash Freeway heading into Melbourne, as well as the Eastlink toll road feed into the eastern suburbs.

Phil Pearce, CEO of ESR Australia, said, “We’ve been looking for the optimal opportunity to expand our land bank in Melbourne. I’m delighted to secure this significant site in a prime logistics location and add to our existing, substantial land banks in NSW and QLD. It’s an exceptional opportunity, and we’re very pleased with the outcome.

This large-scale acquisition provides us with the ability to take advantage of the strong demand from users in the land constrained south-east market to develop a prime industrial estate. We’re aware of the demand from users wanting larger scale facilities and those looking to improve their supply chains, and we’ll be well-positioned to cater to their needs.

Our recent fund raisings mean we’ve got significant capital so we’re able to move decisively when opportunities such as these come up. This is a result of the continuing appetite from our investors for high quality logistics assets, and our proven track record to deliver.”

Last month, ESR Australia launched the A\$1 billion ESR Australia Development Partnership, an Australian develop-to-hold logistics fund. This land parcel will ultimately be held by EADP which seeks strategically located sites that benefit from infrastructure or proposed infrastructure upgrades. Investor approval for this transaction demonstrates the ongoing support for developing for the future where demand will hold up.

Jeffrey Shen and Stuart Gibson, Co-founders and Group Co-CEOs of ESR said, “The demand for institutional grade properties has been strong on both the capital and leasing fronts in Australia and across the APAC region. We are very pleased that Phil and our team have been making great strides in the expansion in the Australian market. With the acquisitions of prime sites and assets, and the successful capital raisings of EADP and other vehicles, ESR has built a best-in-class logistics real estate platform for capital partners and customers who look for continued, solid growth in the APAC market.”

About ESR

ESR is the largest APAC focused logistics real estate platform by gross floor area (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages. Co-founded by its senior management team and Warburg Pincus, ESR and the funds and investment vehicles it manages are backed by some of the world’s preeminent investors including APG, SK Holdings, JD.com, CPPIB, OMERS, PGGM, Ping An and Allianz Real Estate. The ESR platform spans across the People’s Republic of China, Japan, South Korea, Singapore, Australia and India. As of 31 December 2019, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR recorded approximately US\$22.1 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 17.2 million sqm in total. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

For more information on ESR, please visit www.esr.com.

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