
ASX ANNOUNCEMENT

30 January 2015

31 December 2014 Valuations

GDI Property Group is pleased to announce the results of the 31 December 2014 independent valuations for the Mill Green Complex, Perth and 25 Grenfell St, Adelaide.

The Mill Green Complex in Perth has been valued at \$334 million, an increase of \$2 million above its last valuation at 1 October 2013. 25 Grenfell St, Adelaide has been valued at \$109 million, the same value ascribed to the property at 1 October 2013.

Commenting on the independent valuations, Mr Steve Gillard stated it was pleasing that the valuations for both properties had remained largely unchanged, notwithstanding the perceived difficult leasing markets in both Perth and Adelaide. He also stated that he felt there was significant upside to the valuation of both properties once the asset management strategies have been completed. In particular, in relation to Mill Green, Mr Gillard commented: "At a valuation of \$334 million, the asset has a current passing yield of nearly 7%, with upside potential from leasing 1 Mill St. In addition, Mill Green is a uniquely positioned 2 acre site with potential to strata the buildings and add an additional approximately 40,000 sqm of Gross Floor Area, underpinning Mill Green's long term value".

Mr Paul Malek, asset manager of Mill Green, explained the slight increase in the Perth valuation was a result of a combination of higher passing net income from leasing successes in 197 St Georges Terrace and 5 Mill St, together with tighter capitalisation rates, offset by lower forecast market net rental income and, in relation to 1 Mill St, longer leasing up assumptions with a higher incentive. A building by building comparison for Mill Green between this valuation and the 1 October 2013 valuation is provided in the attached annexure.

GDI Property Group intends to release its half yearly results on 23 February 2015.

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Annexure

	197 St Georges Terrace		5 Mill St		1 Mill St		Mill Green Complex	
	1/10/13	31/12/14	1/10/13	31/12/14	1/10/13	31/12/14	1/10/13	31/12/14
Valuation	\$233.5m	\$239.0m	\$52.5m	\$54.0m	\$46.0m	\$41.0m	\$332.0m	\$334.0m
Net passing income²	\$16.9m	\$19.3m	\$3.5m	\$3.8m	Vacant	Vacant	\$20.4	\$23.3¹
Vacancy (% of NLA)²	9.70%	1.12%	24.72%	20.17%	100.00%	100.00%	27.21%	20.83%
Market capitalisation rate	8.25%	8.0%	8.50%	8.25%	8.50%	8.25%	8.32% ³	8.07%³
Rate/sqm NLA	\$8,780/m ²	\$9,037/m²	\$7,290/m ²	\$7,518/m²	\$6,919/m ²	\$6,167/m²	\$8,209/m ²	\$8,292/ m²

1. Includes net passing income not allocated to the individual properties.
2. Per the valuation report
3. Weighted average capitalisation rate for Mill Green Complex