

Frasers Logistics acquires 2 Aussie prime properties for \$62 mil

By: PC Lee, The Edge, 31/08/18

The manager of Frasers Logistics & Industrial Trust (FLT) is planning to acquire two prime industrial properties in Australia from its sponsor for A\$62.6 million (\$62 million).

The two properties are respectively located at 3 Burilda Close, Wetherill Park, New South Wales and 103-131 Wayne Goss Drive, Berrinba, Queensland.

The total NPI yield of the two properties is estimated to be 6.5%.

The New South Wales property is a long leasehold asset with a gross lettable area (GLA) of 20,078 sqm and a WALE of 7.0 years as at June 30.

The Queensland property is a freehold asset occupying a GLA of 19,487 sqm and a WALE of 4.2 years as at June 30.

The New South Wales property and Queensland property are each leased to two individual tenants with average fixed annual rental increments of 3.1% and 3.0% per annum, respectively. The tenants of the two properties have strong covenants and further enhance FLT's high quality tenant mix.

Post-acquisition, FLT's portfolio will have 82 properties with a total GLA of 1.9 million sqm and a portfolio value of A\$2.9 billion as at June 30.

The proposed acquisition is expected to be completed by September and will be fully funded from the divestment proceeds of 80 Hartley Street in New South Wales and Lot 102 Coghlan Road in South Australia.

Year to date, units in FLT are down by 4.4% to \$1.10.