

Press release

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CEREIT acquires 11 office properties in Finland

Cromwell European Real Estate Investment Trust (“CEREIT”) has acquired 11 freehold office properties in Finland for €113.1 million. The properties will be managed by CEREIT’s sponsor, Cromwell Property Group, through its integrated European investment asset management platform¹.

Predominantly located in the Helsinki Metropolitan Area (“HMA”), the 11 Finnish office assets have a total lettable floor area of 61,972 sqm and are let to a diverse array of tenants from various industries. One of the assets is located outside of Helsinki in Kuopio, a rapidly growing regional hub and university city in the east of Finland.

All assets in the portfolio have excellent transport links, with the HMA assets located within easy reach of Ring Road III, the most important road system in the HMA, local train stations or the Helsinki airport, which handles approximately 83% of the domestic and almost all of the international air traffic.

Tomas Beck, Head of Nordics at Cromwell Property Group in Europe, commented:

“We are currently operating in a buoyant office market in Finland, supported by strong domestic demand, job growth and rising consumer confidence. These conditions have put upward pressure on rents in high quality, well-located buildings that offer efficiency and connectivity.”

END

¹ This is pursuant to a master property and portfolio management agreement entered into among the trustee of CEREIT, the manager of CEREIT and Cromwell Europe Limited (a wholly-owned subsidiary of Cromwell Property Group) at IPO dated 22 November 2017.



Image: Plaza Forte

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About Cromwell Property Group

Cromwell Property Group is a real estate investor and manager operating on three continents with a global investor base. As at 30 June 2018, Cromwell Property Group has €7.3 billion of total assets under management across Australia, New Zealand and Europe. Cromwell offers a global full-service investment management platform with fully integrated real estate capabilities and hands-on asset management.

Across Europe, Cromwell manages €4 billion of real estate assets and investment capacity across its funds and mandates, encompassing approximately 260 assets and 3,100 tenants. Cromwell's strength lies in its local real estate expertise drawn from 200+ people in 20 offices across 12 European countries.

www.cromwellpropertygroup.com

About Cromwell European Real Estate Investment Trust

Cromwell European REIT is a real estate investment trust (“REIT”) with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe that are used primarily for office², light industrial / logistics², and retail purposes³. With a portfolio of 75 properties in or close to major gateway cities in Denmark, France, Germany, Italy, as well as the Netherlands and a balanced focus on the office² and light industrial / logistics² sectors, it is also the first REIT with a diversified Pan-European portfolio to be listed on Singapore Exchange Securities Trading Limited.

CEREIT’s portfolio has an aggregate lettable area of approximately 1.2 million sqm with over 700 leases and a WALE⁴ profile of around 4.9 years. Comprising primarily freehold or ongoing leasehold⁵ assets, the portfolio has an appraised value of approximately €1,390 million as at 30 June 2018.

CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT’s sponsor, Cromwell Property Group⁶, a real estate investor and manager with operations in 15 countries, listed on the Australian Securities Exchange Ltd.

² “Office” properties refer to real estate that are predominantly used for office purposes, whether in existence by themselves as a whole or as part of larger mixed-use developments and “light industrial / logistics” properties refer to real estate that are predominantly used for light industrial, warehouse, and logistics purposes, the majority of which may have an attached office component.

³ “Retail” properties refer to real estate that are predominantly used for retail purposes.

⁴ “WALE” is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable).

⁵ Classified as Continuing Leasehold or Perpetual Leasehold. A Continuing Leasehold is agreed in principle for an indefinite period of time but has a fixed ground rent paid to the land owner which must be re-agreed at the end of a certain period, which may result in a termination if the leaseholder and the land owner do not agree on the new ground rent. A Perpetual Leasehold is for an indefinite period of time and the ground rent has been paid off perpetually (which type of leasehold is most similar to a freehold situation).

⁶ Comprising Cromwell Corporation Limited and the Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited).