

Media Release

Charter Hall executes \$3.35 billion Green Loan transaction, one of the largest in the sector

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Charter Hall Group (Charter Hall or the Group) has executed a fully underwritten \$3.35 billion of Green Loan facilities on behalf of one of its funds, marking the completion of one of the largest Green Loan transactions in the Australian real estate sector.

Led by CBA, WBC, ANZ, HSBC and SMBC as Mandated Lead Arrangers, Underwriters and Bookrunners (MLAUBs), the transaction is part of a strategic capital management initiative for its \$8.6 billion flagship office fund, Charter Hall Prime Office Fund (CPOF or the Fund). The strategic capital management initiative has enabled the Fund to leverage its market-leading sustainability credentials and implement a best-in-class finance platform providing significant financial and operating flexibility. This will facilitate the delivery of CPOF's premium grade development pipeline and strategic objective of providing long term outperformance for its investors.

This transaction grows Charter Hall's platform-wide sustainable finance to more than \$9.0 billion, 100% of which is in the Office sector, reflecting its continued progress toward integrating sustainability into its operating assets. Further, the Green Loan facilities secured in this transaction have been certified by the Climate Bond Initiative and independently verified by DNV and KPMG, ensuring a thorough and transparent approach.

CPOF Fund Manager, Miriam Patterson, said, "This transaction underpins the strength of CPOF's sustainability credentials and the competitive advantage that our investment in sustainability provides our fund investors. This has been driven in large part by Charter Hall's approach to using independent green building rating tools to benchmark performance and drive continuous improvement.

"As a result, we've been able to efficiently implement this initiative, securing financial covenants that provide market-leading headroom. It also allows us operational flexibility to continue our strategic portfolio curation, reducing the average age of the portfolio and capitalising on the bifurcation of tenant demand toward new state-of-the-art office accommodation. This includes the development of new premium grade towers, such as recently completed 60 King William, Wesley Place and 555 Collins Street assets, as well as the under-construction premium grade Chifley South in the Sydney CBD and 360 Queen Street in Brisbane. Our portfolio curation also enables us to maintain sector-leading portfolio WALE, with our track record of new developments being fully leased prior to or upon completion and achieving longer WALEs than other stabilised assets."

Charter Hall Group Treasurer, Darren Beatty, said, "We appreciate the support of the MLAUBs in executing this significant transaction, which was well-oversubscribed, reflecting the strength of the Fund and the reputation of the Charter Hall platform among financiers.

"Through this initiative, we've extended the Fund's weighted average debt maturity profile to 5.2 years – a market-leading profile for an office fund – and re-affirmed the fully secured investment grade credit rating. The debt maturity profile includes a mix of tranches from 3 to 10 years in duration."

This transaction is in line with CPOF's strategy of advancing its comparative wholesale fund metrics to create value for its investors throughout multiple cycles. CPOF's market leading peer portfolio metrics include¹:

- the longest weighted average lease expiry profile – 6.4 years;
- one of the highest weighted average rent reviews of 3.5%;
- the highest government tenant exposure at 34%;
- the youngest portfolio with weighted average age of less than 8 years inclusive of new projects;
- the highest calibre institutional grade tenant profile;
- the highest long-term IRR delivered to investors across the MSCI office benchmark.

(ENDS)

Charter Hall Group (ASX: CHC)

Charter Hall is one of Australia's leading fully integrated property investment and funds management groups. We use our expertise to access, deploy, manage and invest equity to create value and generate superior returns for our investor customers. We've curated a diverse portfolio of high-quality properties across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure. With partnerships and financial discipline at the heart of our approach, we create and invest in places that support our customers, people and communities grow.

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¹ As at 30 September 2024