

ESR Australia adds 56,000sqm to its logistics portfolio with pre-commitment from two anchor tenants at A\$320m Horsley Logistics Park

- ESR Australia has secured Jalco Group (“Jalco”) Australia a wholly owned subsidiary of PACT Group (PACT) and a large US Package and Supply Chain Management Company as anchor customers to the first phase of Horsley Logistics Park
- Both tenants have signed long-term leases, taking up a total of 36,000 sqm of warehouse space
- The deals reflect an increasing demand for local manufacturing, distribution, and temperature controlled warehouses in strategic locations

SYDNEY, 12 May 2021 – ESR Australia (ESR) has secured two anchor tenants within the first stage of its new Horsley Logistics Park, with a large US Package and Supply Chain Management Company, and Jalco a wholly owned subsidiary of PACT, Australia's largest and most diverse contract manufacturer of consumer products, each signing ten-year leases.

The deals reflect the growing requirement for local temperature-controlled warehouses, as well as domestic manufacturing and distribution facilities, which have been imposed by COVID.

ESR purchased the 20.8-ha site from CSR with a stage completion in 2019 for A\$142.5 million. The first phase of the purchase being approximately half the site was settled in January 2021 able to accommodate 56,000 sqm of prime logistics space. With these pre-commitments, ESR intends to commence construction of the whole 56,000 sqm across three separate warehouses.

Upon completion, the entire park will provide around 111,000 sqm of premium warehouse space with an end value of more than A\$320 million.

Looking to accommodate Australia's need to provide greater availability of pharmaceutical products, the US Package and Supply Chain Management Company will be taking up approximately 15,700 sqm of temperature-controlled warehouse space while Jalco, Australia's premier supplier of outsourced manufacturing and filling for the non-food FMCG sector will be taking up 20,260 sqm of space to accommodate the growing demand of their clients wanting to move their manufacturing to Australia.

ESR Australia CEO, Phil Pearce, said that the demand for quality warehouses in desirable locations, paired with the rapid demand for temperature-controlled spaces, has risen across Australia since the COVID pandemic.

"Many of our tenants are now wanting to become more independent, not having to rely on overseas distribution centres and manufacturing.

"We've seen a shift in consumer behaviour over the past year, and with consumers making more purchases online, both retailers and delivery service providers, are looking for larger warehouses to accommodate this changed behaviour," Mr. Pearce said.

Jalco Group Australia's Executive General Manager, Greg Beilby, said the company would invest over A\$30 million in manufacturing equipment and automation to streamline their processes and cater for the need of their clients, who range within the laundry and household cleaning, personal care, automotive, promotional packaging space divisions.

"Domestic manufacturing of consumer goods is currently witnessing an increased market demand for onshore manufacturing as a direct response to COVID.

"Many of our clients and their consumers are now seeking products that are produced and manufactured in Australia," said Mr. Beilby.

Located within Sydney's prime logistics precinct, ESR Horsley Logistics Park offers a rare opportunity to occupy a brand new, A-grade industrial and logistics facility. Future tenants will benefit from significant infrastructure investment by the government in Western Sydney, including WestConnex, Sydney Metro, Moorebank Intermodal, and the Western Sydney Airport. A further advantage is the proximity to the growing Western Sydney population.

About ESR Australia

ESR Australia is a leading manager of industrial and business park real estate with assets under management of more than A\$7.9bn, and a robust pipeline of developments underway. ESR Australia also has established funds management capabilities with long term relationships with global institutional investors.

Their team has deep expertise across the industrial and office real estate markets. A fully integrated service offering is delivered by this in-house team, achieving positive customer outcomes through tenant-driven development solutions, active asset management, and a strategic approach to property investment management.

ESR Group is the largest Asia Pacific logistics real estate group by gross floor area (GFA) and by the value of the assets owned directly and by the funds and investment vehicles it manages. With approximately US\$29.9bn in assets under management across 20.1m sqm of real estate and land, ESR operates across the region in China, Japan, Singapore, South Korea, India, and Australia. 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 Australia, please visit au.esr.com

Assets Under Management @ 31 December 2020

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