

ESR Australia settles on Milestone Portfolio and Operating Business

- ESR Milestone Partnership (“EMP”) settles on the purchase of the Milestone Portfolio (“The Portfolio”) from Blackstone, Australia’s largest-ever logistics and general property portfolio transaction
- The A\$3.8 billion acquisition consists of 45 high-quality, income-producing assets set over 3.6 million sqm, and the associated operating business
- ESR Australia’s AUM leaps 72% to A\$8.1 billion, while the development pipeline grows 35% to A\$3.3 billion

SYDNEY / HONG KONG, 18 June 2021 – ESR Cayman Limited (“ESR” or the “Company”, together with its subsidiaries as the “Group”; SEHK Stock Code: 1821) announced that ESR Australia has settled on the purchase of the Milestone Portfolio and operating company in the largest-ever property transaction in Australia, officially taking control of the 45 high-quality, income-producing assets set over 3.6 million sqm and collectively valued at circa A\$3.8 billion reflecting a yield of 4.5%.

The acquisition represents a 72% uplift in ESR Australia’s AUM, which is now valued at A\$8.1 billion, and positions ESR as the third largest industrial owner in the country, within three years of entering the Australian market.

ESR Australia CEO, Phil Pearce, said: “In recent months, there have been several assets transact at sub 4% yields along the eastern seaboard, which provides further validation for the price paid for The Portfolio and ESR’s view that the market would continue to be strong.

“Land prices around the country have continued to grow at accelerated rates, which will allow ESR to bring forward the redevelopment of several assets across The Portfolio, further enhancing our value proposition. The underlying land value was a crucial part of our underwrite as we view the assets as very strategically located.”

Within the Milestone Portfolio, ESR has identified at least 14 assets to be developed in the coming three to seven years, in addition to its development pipeline of A\$2.4 billion, resulting in a cumulative development pipeline valued at A\$3.3 billion.

ESR Group Co-founders & Co-CEOs, Jeffrey Shen and Stuart Gibson, said: “This transformational transaction enables ESR to fulfil its ambition of scaling up the Australian operations and confirming its leadership position in the country. The team, led by Phil Pearce, will now focus on capitalising on the vacant and under-utilised land within The Portfolio, and leveraging our expertise to accelerate development activities. We are confident that the expansion of our Australian platform – which has grown in scale, resources and human capital – will create significant, long-term values for our stakeholders.”

Pearce added: “We are looking forward to welcoming the Milestone employees into the ESR business, along with the contribution they will make as we look to continue to expand our business and capabilities to the benefit of our customers and capital partners.”

The transaction was given the green light by the Foreign Investment Review Board on 25 May, before settlement was finalised on 17 June.

About ESR

ESR is the largest APAC focused logistics real estate platform by gross floor area (“GFA”) and by value of the assets owned directly and by the funds and investment vehicles it manages. ESR and the funds and investment vehicles it manages are backed by some of the world’s preeminent investors including APG, CPP Investments, JD.com, Oxford Properties, PGGM and SK Holdings. The ESR platform spans major economies across the APAC region, including the People’s Republic of China, Japan, South Korea, Singapore, Australia, India, and Vietnam. As of 31 December 2020, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR recorded approximately US\$30 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 20 million sqm in total. Listed on the Main Board of The Stock Exchange of Hong Kong Limited in November 2019, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

For more information on ESR, please visit www.esr.com.

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