

# Project Development Funding - 161 Castlereagh Street, Sydney

## Development Project Equity Finance JV

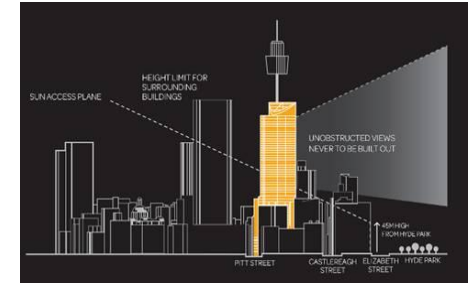
- Project development funding JV involving GPT and LaSalle Investment Management to co-invest alongside Grocon
- Equity IRR underwriting targeted 16%

### 161 Castlereagh St, Sydney

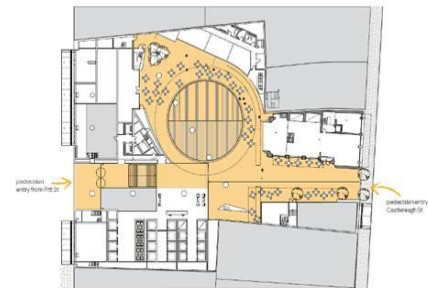
- Project Type: 161 Castlereagh St is a Premium Grade office development in the Sydney CBD
- **\$790m on completion value**
- The 43 level tower will occupy a prominent site, bounded by both Castlereagh and Pitt St, in Sydney's CBD
- 161 Castlereagh Street is one of the last key Sydney CBD development sites
- Project Size: 58,000sqm office, 3,300sqm retail, 100 parking bays
- 87% pre-committed prior to commencement of construction
- Date of Completion: Construction commenced in April 2010, expected completion in July 2013
- Transaction involved:
  - Securing the site and negotiating terms with the vendor
  - Securing debt funding for the project
  - Securing development equity JV .
    - GPT: 50% stake
    - La Salle Investment Management: 25% stake, and
    - Grocon: remaining 25%
- **Equity IRR underwriting targeted 16%**

#### Teloopa Role

- Originated and structured the development equity funding Joint Venture for the project
- Brought in GPT and LaSalle Investment Management to co-invest alongside Grocon



Viewing angle profile



Foyer plan



Office Space

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Delivering the solution



### Site Secured



Secured site in challenging market conditions in the midst of the GFC  
Grocon succeeded where many previously failed

### Tenant pre-commitment



Secured ANZ as major tenant with a 15 year lease – approx 50% of the net income of the development

### Tenant pre-commitment



Secured Freehills as a second major tenant with a 10 year lease term

### Funding Solution



50% forward funding: GPT  
25% development partner LaSalle Investment Management  
25% development partner Grocon  
ANZ Senior debt package secured

### Development and Construction Expertise



Works commenced on site April 2010 with 2013 completion date

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- Landmark Sydney development
- Pre-committed and prefunded



### Key Development Facts

Title	Freehold
Site Area	4,423m <sup>2</sup>
Grade	Premium
Number of Storeys	42 levels and 2 level residential penthouse
NLA	57,805m <sup>2</sup>
Office	54,449m <sup>2</sup>
Retail	3,356m <sup>2</sup>
Car parking	100 spaces
Average floor plate	1,526m <sup>2</sup>
Environmental rating	6 Star Green rating
Major tenants	ANZ Bank (49%): expiry 2028 Freehills (38%): expiry 2023
WALE	12.5 years
Commencement	April 2010
Completion	July 2013
<b>Value Proposition</b>	
On completion Value	\$790m
Yield On Cost	7.65% (6.5% val on completion) 1.15% uplift
10 Year Property IRR from completion	12.79%