



Building relationships. Creating value.

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# Bell Potter Foundations Conference

17 October 2024



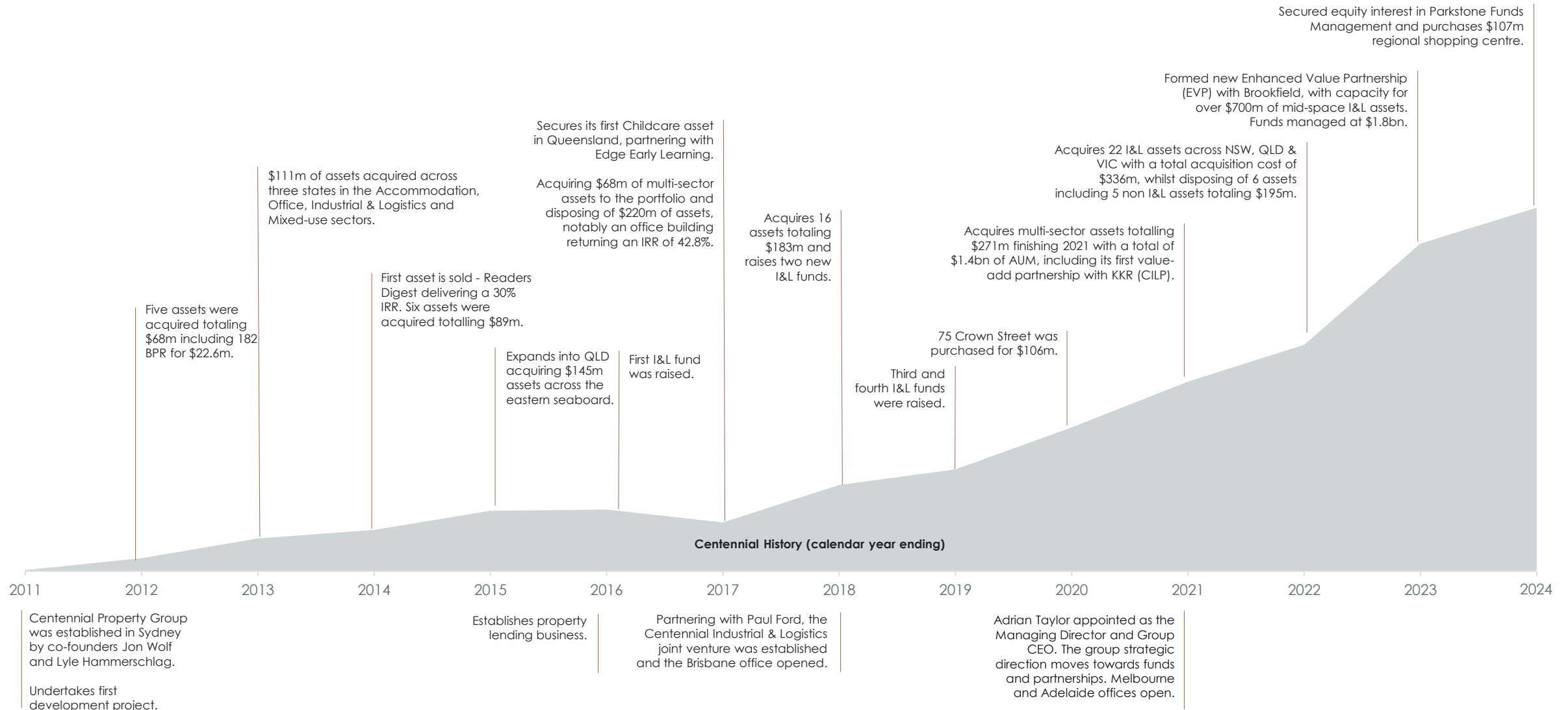
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# The Evolution of Centennial



# Group Activity Since Formation



\$3.63bn

TRANSACTIONS

\$1.88bn

EQUITY RAISED

~22%

WEIGHTED AVERAGE IRR  
FOR PROPERTIES SOLD

\$2.47bn

ASSETS UNDER MANAGEMENT

Includes committed development.

83

ASSETS

~\$659m

IN DEVELOPMENT PIPELINE

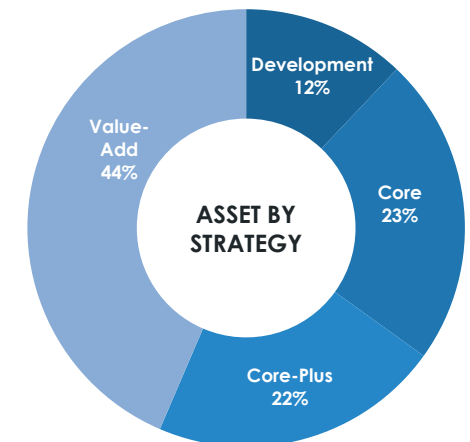
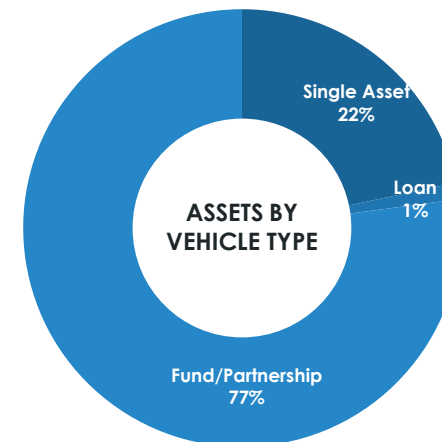
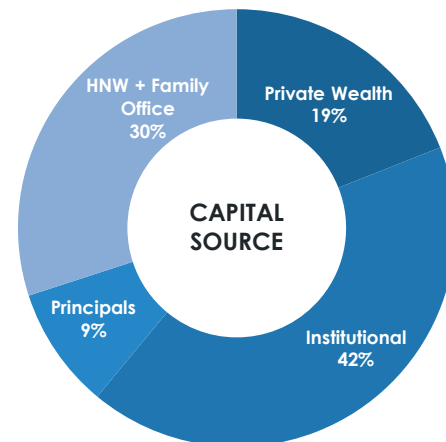
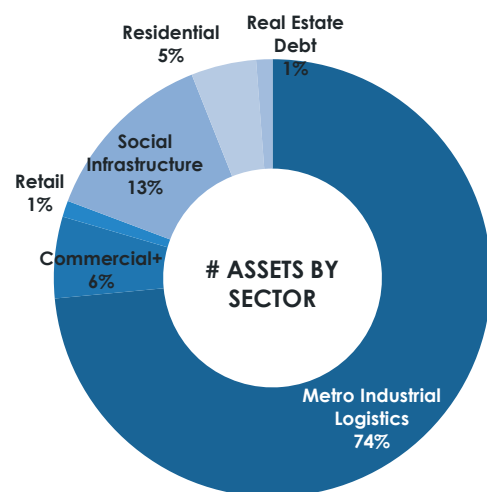
# Portfolio Summary



## MANAGED PORTFOLIO SUMMARY BY SECTOR

SECTOR	FUNDS/LOANS*	# ASSETS	GLA/NLA (sqm)	# TENANTS	VALUE AUM (\$m)
Metro Industrial + Logistics	12	61	755,680	136	1,607
Commercial+	5	5	14,116	40	107
Retail	1	1	20,791	74	107
Social Infrastructure	7	11	28,015	38	296
Boutique Residential	4	4	11,780	-	347
Real Estate Debt	1	1	-	-	5
<b>Total</b>	<b>30</b>	<b>83</b>	<b>830,382</b>	<b>288</b>	<b>2,469</b>

Note: Excludes development pipeline



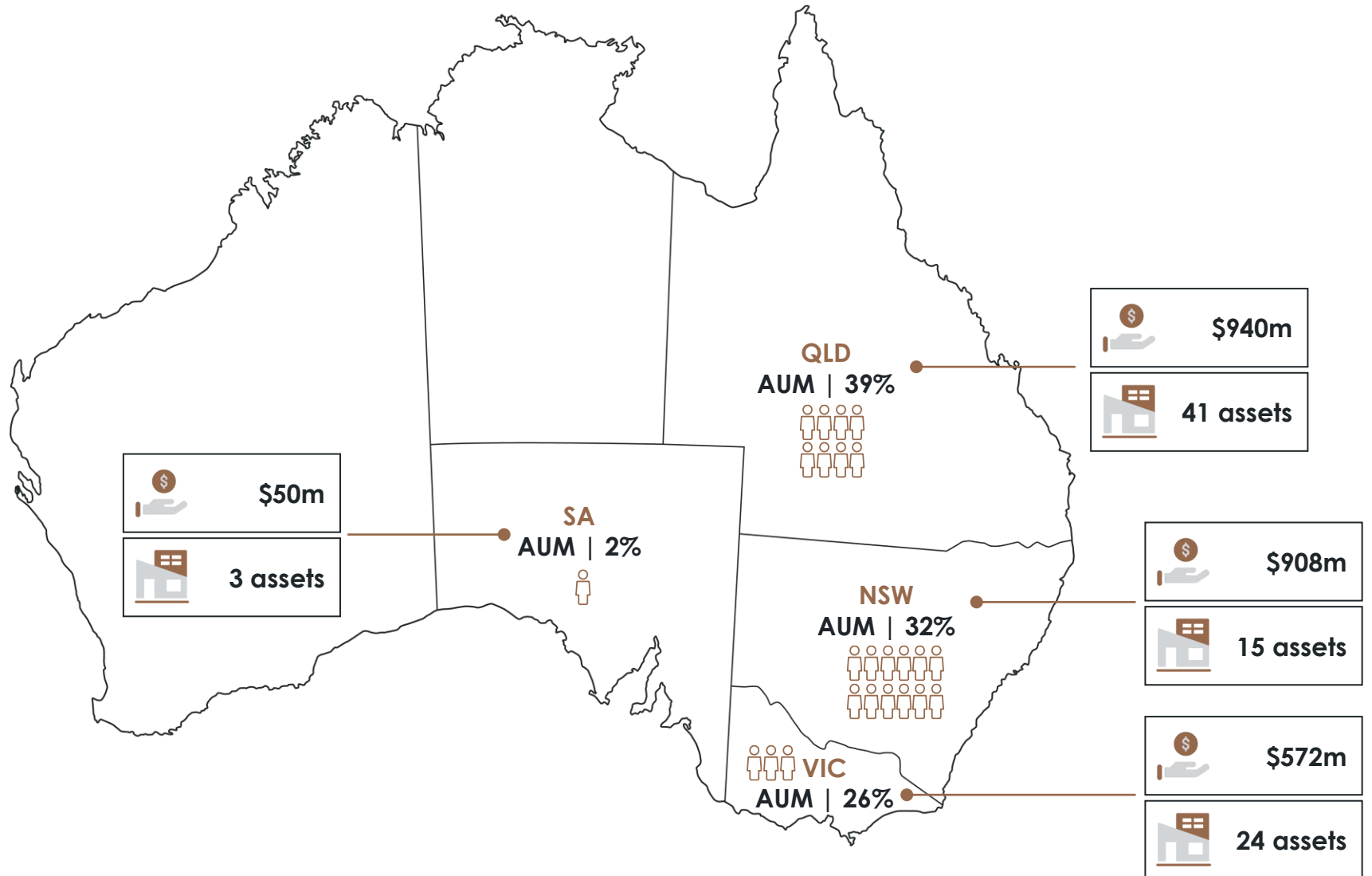
# Geographic Diversity of Assets and Team



- Value of Assets**  
\$2.47bn
- Assets Managed**  
Inc. Loans  
83
- Employees**  
43

- Total Value of Assets**
- Assets Managed**

Note: Includes development pipeline



# Development



	SECTOR	# PROJECTS	VALUE ON COMPLETION (\$M)
Committed	Industrial + Logistics	4	301.6
	Boutique Residential	4	347.5
	<b>Sub-Total</b>	<b>8</b>	<b>649.1</b>
Pipeline	Industrial + Logistics	5	421.7
	Boutique Residential	0	-
	<b>Sub-Total</b>	<b>5</b>	<b>421.7</b>
<b>Total</b>		<b>13</b>	<b>1,070.8</b>

■ Committed – Projects with planning approval, signed building contracts and underway.

■ Pipeline – Projects under option, or subject to planning approvals, pre-commitments or presales.



# What is “metro industrial + logistics?” - a differentiated strategy

Centennial has an established specialist team targeting mid-spaced I+L assets



## Asset Size

→ Ranges between 1,000 – 10,000 sqm & gross asset value of \$10m - \$75m



## Location

- Located within established, inner ring, infill and supply-constrained markets
- Often competing against obsolete stock
- Often close to the CBD or high population growth areas



## Reduced Competition

- Sector often overlooked by institutional investors due to scale requirements and management intensity
- Focus on off-market transactions



## Attractive Pricing

- Provides attractive, relative pricing due to significantly reduced competition
- Often less rental tension, with greater ability to increase rents
- Vendors often less sophisticated



## Tenant Profile

- Significant representation of global and national occupiers requiring last mile warehousing distribution
- Preference for institutional managers; giving a leasing edge
- Often secured from embedded demand with users seeking efficiency improvements

Willawong QLD



Wynnum West QLD



Truganina VIC



St Marys NSW



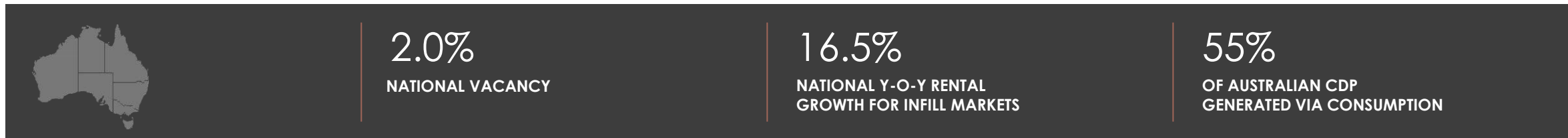


# Why Metro Industrial + Logistics

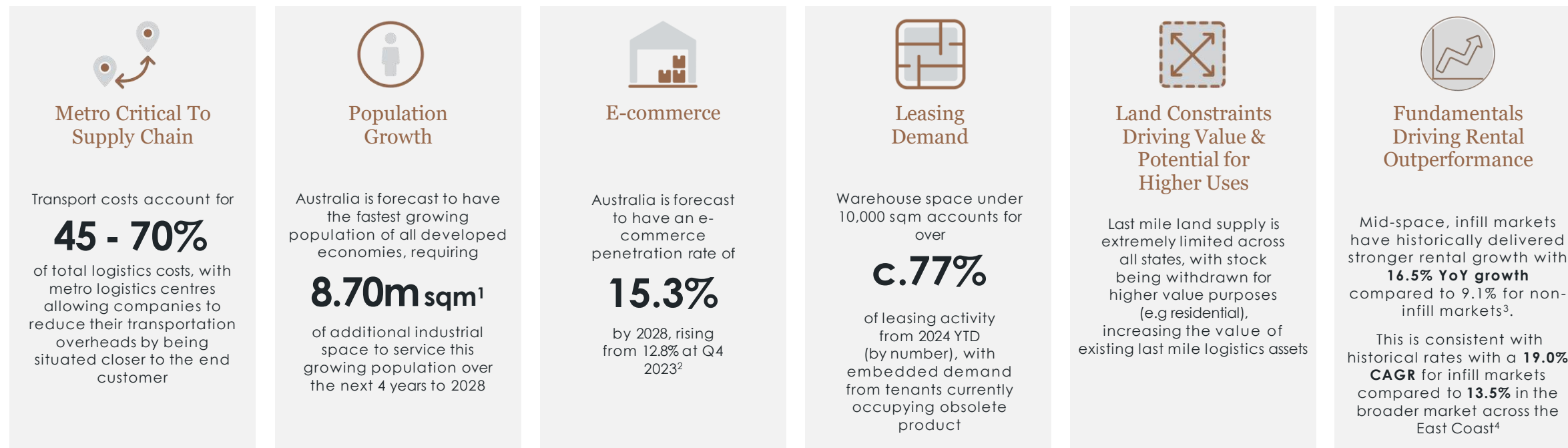


**Tight vacancy, limited supply and strong sector tailwinds continue to drive metro I+L outperformance**

## Why Australian Logistics?



## Why Metro Industrial + Logistics?



1. Assuming a ratio of 4.5sqm per person  
2. CBRE Industrial and Logistics Research, Q4 2023  
3. Cushman & Wakefield Research  
4. CBRE Industrial and Logistics Research, Q4 2023. Historical data on rental growth achieved on assets <10,000sqm, in key sub-markets the CLP1 assets are situated in on the east coast of Australia. Since 2020 – 2023

# Private Wealth Activities



## Hinkler Central Trust | Nov-2023

16 Maryborough Street, Bundaberg QLD



**Sector**  
Retail



**Equity Raised | GAV**  
\$36.7m | \$107m



**Target Distribution | IRR**  
8.3%p.a. over 5 years | 13%-15% p.a.

### Overview

Hinkler Central is a dominant sub-regional shopping centre, anchored by strong performing Coles, Woolworths & Kmart, who are all paying turnover rent.

Hinkler Central provides the opportunity to increase the largely defensive (non-discretionary) rents along with strategic value add opportunities.



## Warrego Industrial Park Trust | May-2024

540-604 Warrego Highway, North Tivoli QLD



**Sector**  
Industrial + Logistics



**Equity Raised | GAV**  
\$27m | \$35.5m



**Target Distribution | IRR**  
8% - 9% p.a. | 15%-17% p.a..

### Overview

The Trust acquired a large industrial land holding of 23.2 ha of usable land, with substantial embedded rental reversion at a significant 24.5% discount to the market value of the underlying land.

With limited land supply of large allotments, the site provides an opportunity to create an open air estate, whilst bringing the rents to market (54% below market at acquisition).



## Cleveland Industrial Park Trust | Jul-2024

19 Enterprise Street, Cleveland QLD



**Sector**  
Industrial + Logistics



**Equity Raised | GAV**  
\$18.4m | \$31.5m



**Target Distribution | IRR**  
6.5% p.a. over 5 years | 14%-15% p.a.

### Overview

The Trust acquired a large industrial land holding of 23.2 ha of usable land, with substantial embedded rental reversion at a significant 55% discount to assessed replacement cost.

With a low 39% site cover, below market rents and 22% vacancy, there are multiple value enhancing strategies and exit pathways.










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Annexure

# Differentiating “Metro” and “Big Box” Industrial + Logistics









Metro Industrial + Logistics	Metric	Big Box Industrial + Logistics
Inner ring and land constrained markets	 <b>Location</b>	Proximate to outer ring
Typically, inside 15km	 <b>Distance from CBD / Ports</b>	Typically, outside 15km
~ 50%+ of population in 30mins	 <b>Distribution reach</b> (portion of population reached in 30 drive time)	~25% of population in 30 mins
In scarce supply and being withdrawn for alternate use (eg. residential / self-storage / retail showroom)	 <b>Land</b>	More likely in emerging precincts with some land releases (e.g. Badgery’s Creek by Sydney’s new airport)
Historically segmented and often privately owned	 <b>Ownership</b>	Concentrated by REITs / Institutional Funds
Typically, 1,000 sqm to 10,000 sqm	 <b>Tenancy size</b>	Typically, >10,000 sqm and can be over 100,000 sqm
Include nationals, multi-nationals, ASX listed and private companies	 <b>Tenants</b>	Typically, nationals, multi-nationals and ASX listed

Source: Cushman& Wakefield Research

# Differentiating “Metro” and “Big Box” Industrial + Logistics



Metro Industrial & Logistics	Metric	Big Box Industrial + Logistics
1.1% (infill)	 <b>National vacancy</b>	2.9% (non-infill)
16.5% (infill)	 <b>Rental growth YoY to June 24</b>	9.1% (non-infill)
15% / 9% / 12%	 <b>Supply 2024-2026</b> Sydney / Melbourne / Brisbane (split by infill & non-infill)	85% / 91% / 88%
3,000-10,000m2 = ~24%	 <b>Supply by tenancy size</b>	> 10,000m2 = 76%
< 10,000m2 = 71%	 <b>Tenant demand</b> Lease deals by warehouse size in 2023 & 2024	> 10,000m2 = 29%
One level above risk profile (eg. Core Risk Profile provides “Core-plus” return)	 <b>Returns</b>	In line with risk profile

Source: Cushman& Wakefield Research

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