

# IAPF acquires Melbourne industrial property

JSE-listed Investec Australia Property Fund (IAPF) on Friday, 6 April, announced the acquisition of an industrial property in Dandenong South, Melbourne for AU\$19,450,000.



The property is situated at 36-42 Hydrive Close, Dandenong South, 32km south east of the Melbourne CBD in one of the city's most established industrial precincts. Significant major infrastructure projects, such as the Westall Road Extension, the AU\$100m North-East Link and the AU\$300m Moordialic Bypass, are either underway or planned to commence in the immediate vicinity of the property.

The property is 100% occupied by a subsidiary of ASX-listed Pact Group Holdings Ltd, a supplier of milk and juice packaging. The lease is long dated, expiring in 7.1 years and includes contracted annual rental escalations of the greater of 3.5% and CPI.

## Accretive acquisition

The acquisition is accretive and will be funded by utilising the fund's existing debt facility. Post the acquisition, IAPF will be geared to 37.6% with a weighted average cost of debt of 3.71% per annum and hedged to 86.4% for an average of 6.2 years.

"Dandenong South is a prime industrial precinct evidenced by the quality of occupiers including Amazon, Carter Holt

Harvey, Toyota, Swire Cold Storage and Bosch. The property is occupied by a tenant that is part of an extremely strong ASX-listed group under a long-term lease with 7.1 years to run. The site coverage is low at 44% with the opportunity to develop additional lettable area or create full drive-around access if required in order to retain or attract tenants,” says IAPF CEO Graeme Katz.

Settlement of the property is due to occur on 19 April 2018.

For more, visit: <https://www.bizcommunity.com>