

# ASX Announcement

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10 April 2017

## The Glen residential developer appointed

Vicinity Centres (Vicinity, ASX:VCX) today announced that, together with co-owner Perron Group, a contract for the sale of residential air rights above The Glen in Melbourne has been entered into with Melbourne-based developer Golden Age Group.

Mr Angus McNaughton, Vicinity Centres CEO and Managing Director, said: “The Glen is currently undergoing a major redevelopment and Golden Age Group will deliver the residential project of more than 500 apartments across three towers.”

The sale has reduced The Glen’s redevelopment costs<sup>1</sup> from \$490 million to \$460 million. Forecast returns as a consequence will improve and are expected to be an initial yield post completion of greater than 6% and an IRR of greater than 10%.

Golden Age Group has extensive experience in developing real estate and currently has a portfolio of \$4.2 billion in completed and upcoming projects. These projects include high rise residential, retail, commercial, hotel, land subdivision and industrial sectors within Melbourne and Sydney. Notable examples of the quality of its projects include the Sheraton Hotel in Little Collins Street, Melbourne and the Essence apartments in Double Bay, Sydney.

The retail development at The Glen continues to track positively with most of the first stage leased. This stage, which opens in late 2017, incorporates a fresh food market hall, anchored by a new Aldi, the latest format Woolworths and a Coles supermarket, and over 60 specialty stores.

At project completion, The Glen will be expanded to approximately 78,000 sqm of gross lettable area and will include, in addition to the fresh food market hall, two dining precincts, a town square, the latest format David Jones, new mini majors and international brands.

The retail development at The Glen will open in a number of stages over three years, with project completion expected by early 2020.

**ENDS**

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<sup>1</sup> 100% interest. Vicinity’s share is 50%. Redevelopment costs are net of proceeds from the sale of the residential air rights.

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**About Vicinity Centres**

Vicinity Centres (Vicinity or the Group) is one of Australia's leading retail property groups with a fully integrated asset management platform, and over \$24 billion in retail assets under management across 85 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 75 shopping centres (including the DFO Brisbane business) and manages 37 assets on behalf of Strategic Partners, 27 of which are co-owned by the Group. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has approximately 24,000 securityholders. Vicinity also has European medium term notes listed on the ASX under the code 'VCD'. For more information visit the Group's website [vicinity.com.au](http://vicinity.com.au), or use your smartphone to scan this QR code.