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ASX Announcement

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ASX & Media Release

Re-Organisation of PURT3: Kingsgrove Commencement of Land Pre-Sales

URB Investments Limited (ASX: URB) is delighted to provide an update on the re-organisation of the PURT3: Kingsgrove site.

We have taken the opportunity re-organise the Kingsgrove site, and have already secured a buyer of one parcel of land and are in advanced discussions with a buyer on a second parcel.

We believe this validates URB's flexible approach to capitalising on the urban renewal thematic, managing the overall balance of the portfolio while maximising value from each individual investment. URB intends to realise significant increases in the value of individual assets where appropriate opportunities arise, while holding other assets where there is attractive ongoing yield.

The PURT3: Kingsgrove site (the Property) was acquired to generate immediate income, with the potential for value creation from future re-organisation or re-zoning opportunities. Following the recent expiry of the lease, the Property Managers, Pitt Street Real Estate (PSRE) assessed various options for the site including re-zoning, re-leasing, refurbishment and demolition.

The opportunity of converting the Property into residential or mixed-use was thoroughly investigated, however after due diligence the possibility of this being achieved was viewed as too long dated.

It was agreed by the owners of PURT No3 Trust (the Trust), URB (49.9% interest) and Washington H Soul Pattinson and Company Limited (50.1% interest), that the most attractive

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valuation upside would be achieved by re-organisation of the site, with a view to selling smaller sub-divided lots to commercial buyers. The Trust has therefore commenced demolition of all existing structures on the site via a Complying Development Certificate, and has lodged a Development Application (DA) with council for the sub-division of the 18,490m² property.

URB is pleased to announce that the Trust has today exchanged contracts for the sale of a 1,080m² parcel of The Property - Lot 1A.

The Trust has also agreed terms and is in detailed negotiations with another party to sell a much larger 5,000m² parcel of land – Lot 7.

Both sales are conditional on the approval of the DA for sub-division and the Trust obtaining all other necessary approvals.

These parcels of land are being sold at a substantial premium to the Trust's cost base, indicating a significant uplift in the value of the Property.

URB believes that the Property will continue to benefit from the displacement of warehouses and a large portion of the industrial segment from the inner south-west of Sydney thanks to significant construction of residential apartment buildings in Mascot, Alexandria and Zetland. A sales program to take the remaining 6 Lots to market will now commence.

We have mitigated our risk of the re-organisation program through the use of a fixed price demolition contract, and will also not be constructing buildings on this site.

We welcome this early validation of URB's strategy of benefiting from urban renewal and regeneration through active asset and property management to generate superior outcomes for our shareholders.

Yours sincerely

Warwick Negus
Chairman

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