



NZX RELEASE
20 September 2018

AUGUSTA VALUE ADD FUND NO. 1 – SALE OF 54 COOK STREET, AUCKLAND

Augusta is pleased to confirm that its wholly owned subsidiary Augusta Funds Management Limited has entered into a conditional agreement to acquire 54 Cook Street, Auckland from Augusta Value Add Fund No. 1 Limited for \$16,500,000 (plus GST, if any).

The sale is conditional upon the shareholders of Augusta Value Add Fund No. 1 Limited approving the transaction by 20 October 2018 as it is considered to be a related party transaction. Augusta Value Add Fund No. 1 Limited has engaged Northington Partners to provide independent advice to Augusta Value Add Fund No.1 Limited and its shareholders on the proposed sale.

The transaction is also conditional upon Augusta Funds Management Limited obtaining a satisfactory cost estimate from its quantity surveyor by 26 October 2018. Should the sale of the property proceed, settlement of acquisition of the property is expected to occur on 31 October 2018.

Augusta Value Add Fund No. 1 Limited was established in April 2016 to acquire a portfolio of five properties, including 54 Cook Street, Auckland, which were identified as having value-add opportunities through either re-development or re-positioning. The objective of the fund was to sell the properties after the value-adding improvements had been implemented, and to return the net proceeds from the property sales to investors in the Fund.

The sale of 54 Cook Street represents the sale of the last asset held by Augusta Value Add Fund No. 1 Limited. The completion of the Fund is expected to deliver investors a pre-tax IRR of approximately 11.5%. Accordingly, Augusta Funds Management Limited will receive a performance fee of approximately \$0.9 to \$1 million in connection with the sale and wind up of Augusta Value Add Fund No. 1 Limited, which will be paid on settlement.

A conditional Agreement to Lease 54 Cook Street, Auckland with Jucy Snooze Limited has been signed. The lease is for a term of 20 years, with fixed annual increases of 2.0% and market rent review every ten years, and two rights of renewal of seven years each. The Agreement to Lease is conditional upon resource consent, building consents and the cost estimate for the landlord's works being less than or equal to \$14.5 million.

This opportunity is expected to see the property transformed into a [Jucy Snooze branded hotel](#) providing Jucy Snooze pod and en-suite accommodation, as well as Jucy Group's head office. Having recently developed and opened a Jucy Snooze in both Christchurch and Queenstown, Jucy is seeking a second Auckland location for inclusion in its portfolio.

Augusta Funds Management Limited's intention is to initially acquire and hold the asset on its balance sheet and to then use the property as a seed asset for a new open-ended Tourism Fund. The new Fund is consistent with Augusta's core strategy to broaden and diversify our funds management offerings to appeal to a wider range of investors. At this stage Augusta expects the Tourism Fund's initial offering to be opened in first quarter of calendar year 2019. A further announcement will be made in due course once this timing has been confirmed.

-ENDS-

For further information, contact:

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