
FOLKESTONE ANNOUNCES TWO NEW DEVELOPMENTS

- Enters into an option agreement to acquire a 3.4 hectare site at Altona North
- Second JV with Wilmac Properties to develop strata office/warehouse/retail mews at Knoxfield

STAGE 3 – ALTONA NORTH

Folkestone is pleased to announce that it has entered into an option agreement with BWP Trust and Bunnings Group Limited to purchase the former Bunnings site adjacent to Folkestone's Millers Junction mixed use development in Altona North, Victoria.

Subject to planning approval, the 3.4 hectare parcel will be consolidated with Folkestone's existing Stage 3 land holding of 4.4 hectares to create a substantial development opportunity which will include traditional retail, large format and social infrastructure investments.

In line with FLK's strategy of growing its funds management platform, FLK may establish a fund to own the completed development in Stage 3 as FLK did with Stage 1 when it developed the 21,639 square metre large format retail centre known as Millers Junction Home for the Folkestone Real Estate Income Fund at Altona North.

Mr Ben Dodwell, Folkestone's Head of Real Estate said "this provides an excellent opportunity for Folkestone to complete the final stage of its Millers Junction precinct. We are delighted with the success of Stage 1 with the opening in September 2014 of Millers Junction Home that includes Bunnings, Officeworks and other large format retailers together with the opening of Aldi in April 2015. The recent launch of Millers Junction Business which is a strata office/warehouse/retail development on the Stage 2 land will further enhance the Millers Junction precinct as a leading retail and business hub where local people can shop and work."

COMMERCIAL DEVELOPMENT – KNOXFIELD

Folkestone is also pleased to announce that it has agreed terms to enter into a second 50/50 JV with Wilmac Properties to develop approximately 85 strata office/warehouse/retail mews in Knoxfield, Victoria.

Knoxfield is 27 kilometres south east of the Melbourne CBD and the site lies within an established business park precinct with excellent access to the Eastlink and M1 Motorways.

The \$30 million Knoxfield project is FLK's second with Wilmac, the first being Millers Junction Business in Altona North. Wilmac are an experienced developer with a successful track record in delivering this popular product around Melbourne.

The Knoxfield site has been acquired on deferred settlement terms (April 2016) and together with the multi-stage project will result in relatively low funds employed by FLK of approximately \$2.1 million.



Mr Dodwell said "We are excited about partnering with Wilmac again on our second strata office/warehouse/retail mews development. The project will provide small-medium businesses in Melbourne's east with excellent accommodation, close to nodes of commercial activity and at a very competitive price, especially in the current low interest rate environment".

"Our first JV with Wilmac at Millers Junction Business in Altona North has started well with 66% of the first stage pre-sold with construction expected to commence in September 2015" said Mr Dodwell.

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About Folkestone

Folkestone (ASX:FLK) is an ASX listed real estate funds manager and developer providing real estate wealth solutions. Folkestone's funds management platform, with \$870 million under management, offers listed and unlisted real estate funds to private clients and select institutional investors, while its on balance sheet activities focus on value-add and opportunistic (development) real estate investments. www.folkestone.com.au