



CHARTER HALL EDUCATION TRUST (ASX:CQE)

Setting a new benchmark for
Australia's Early Learning Centres
1HY19

Charter Hall Education Trust (ASX: CQE)

Charter Hall Education Trust (ASX: CQE), is the leading provider of early learning accommodation with 413 properties in Australia and New Zealand.

At 31 December 2018, CQE had a pipeline of 27 development sites, with a forecast upon completion value of \$167 million and expectation to add \$10.4 million per annum in net rental income to CQE.

CQE continues to target new opportunities based on our strong understanding of the market. This includes our key focus of selecting high quality real estate supported by sound early learning demand and supply fundamentals, together with selection of the best quality childcare operator for each catchment.

With over \$167 million of centres currently under development, each state-of-the-art centre has been designed and tailored to suit the individual needs of the operator and complement the local community landscape.

Recent portfolio additions include two developments totalling \$15 million in completion value, and one acquisition of an existing centre totalling \$6.4 million in value.



CQE's existing portfolio comprises of over 400 early learning centres with a total asset value of over \$1 billion. To date, CQE has committed to over \$167 million in its development pipeline across Australia and New Zealand



CQE has an internal development management team who manage the delivery of centres from inception to completion. We work closely with operators to ensure their requirements are delivered



CQE is dedicated to long term investment in early learning real estate that provides a safe and healthy environment for future generations. We build centres, and stay for the journey



CQE is the leader in the early learning real estate industry, with an active involvement in leasing to over 30 early learning operators and partners



CQE has a strong track record of achieving DA approval and are continually enhancing our methods to increase the speed of delivery, through development efficiency and quality



CQE has significant funding capacity and can offer long lease terms with flexible funding options to operators



Recently Completed Early Learning Centres

Recently completed and acquired early learning centres have been delivered in five states for six different operators

CENTRE EXTERIORS



Balwyn North, VIC



Baldivis Grove, WA



Killarney Heights, QLD



Hawthorn, VIC



Northcote, VIC



Camberwell, VIC



Brighton East, VIC



Highett, VIC



Cheltenham, VIC



South Morang, VIC



Paddington, QLD



Kilburn, SA

CENTRE INTERIORS



Brighton East, VIC



Northcote, VIC



Camberwell, VIC



Highett, VIC

27¹ Assets Under Development

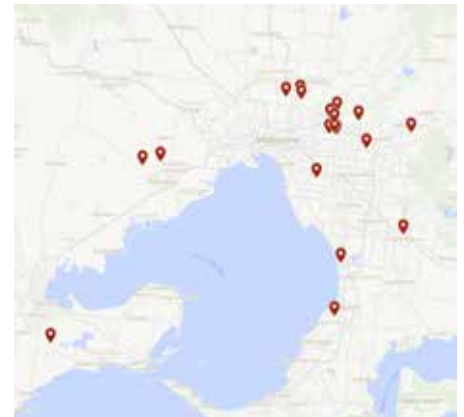
CQE continues to target new opportunities based on our strong understanding of the market, with the key focus on selecting high quality real estate, supported by sound early learning demand and supply fundamentals



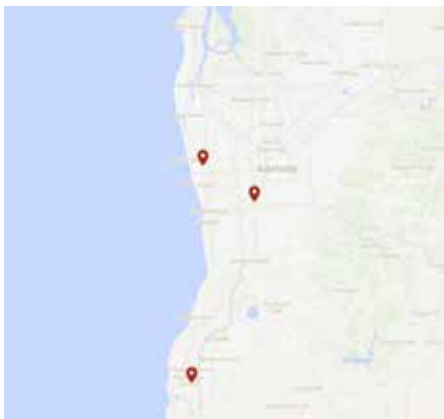
Australia



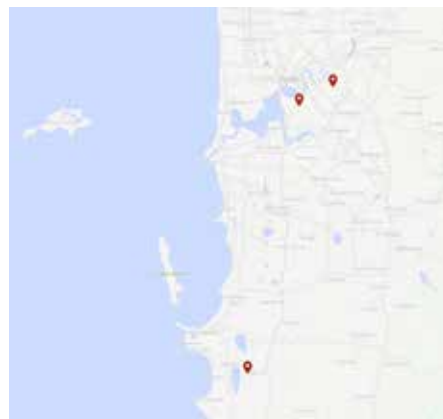
Sydney, NSW



Melbourne, VIC



Adelaide, SA



Perth, WA

Centre Tour Videos

To view videos of recently completed CQE centres, including a time-lapse video of our prefabricated centre at South Morang visit our website.



¹: Includes 1 under contract

Early Learning Centres Under Development

CQE have 27 sites in development with a number of new opportunities in exclusive due diligence, indicative examples include:



Reservoir, VIC



Murrumbeena, VIC



Lower Templestowe, VIC



Kilsyth, VIC

| Suburb | State | Places | Operator Status | Construction Status |
|-------------------|-------|--------------|-----------------|---------------------|
| Armstrong Creek | VIC | 126 | Committed | Complete |
| Balwyn North | VIC | 76 | Committed | Complete |
| Belmont | WA | 96 | Committed | Complete |
| Oran Park | NSW | 134 | Committed | Under Construction |
| Black Forest | SA | 63 | Committed | Under Construction |
| Fulham | SA | 63 | Committed | Under Construction |
| Narre Warren | VIC | 95 | Committed | DA approved |
| Bonbeach | VIC | 126 | Committed | DA approved |
| Murrumbeena | VIC | 112 | Committed | DA approved |
| Wynbrook | VIC | 124 | Committed | DA approved |
| Box Hill North | VIC | 108 | Committed | DA approved |
| Kensington | WA | 96 | Committed | Under Construction |
| Bexley | NSW | 92 | Committed | DA approved |
| Bonshaw | VIC | 110 | Committed | Under Construction |
| Deepdene | VIC | 100 | Committed | DA approved |
| Mont Albert | VIC | 128 | Committed | Planning |
| Reservoir | VIC | 100 | Committed | Planning |
| Frankston South | VIC | 126 | Committed | DA approved |
| Coburg North | VIC | 95 | Committed | DA approved |
| Vermont | VIC | 92 | Committed | Planning |
| Kilsyth | VIC | 92 | Committed | Planning |
| Templestowe | VIC | 108 | Committed | Planning |
| Reservoir 2 | VIC | 100 | Committed | Planning |
| Doncaster East | VIC | 96 | Committed | Planning |
| Mount Waverley | VIC | 84 | Committed | Planning |
| Doncaster | VIC | 130 | Committed | Planning |
| Lower Templestowe | VIC | 130 | Committed | Planning |
| Total: 27 | | 2,802 | | |

CQE Innovations



PREFABRICATED

Prefabricated centres are built off-site, then moved and assembled at their final location. This method allows us to control and create high quality, innovative buildings, increasing speed, efficiency, precision, productivity and quality.

SUSTAINABILITY FOR THE FUTURE

Our centres include a wide range of sustainability measures, integrated into the design, reducing the ecological footprint and cost without compromising quality.



Designs that promote operational efficiency and longevity.



Roofs designed to collect rainwater, used for toilet flushing



Solar panels installed to boost hot water and energy savings



Appliances, fixtures and fittings comply with or surpass all Australian energy and efficiency star rating systems



Bicycle racks are provided for employees to minimise a centre's carbon footprint



Gardens developed to minimise water consumption and play areas to be generally permeable, complementing the surrounding landscape



Eco Innovation - Deliver smart solutions that make a difference for our customers and the planet



Building Community - Increases community welfare and social cohesion in the places we create



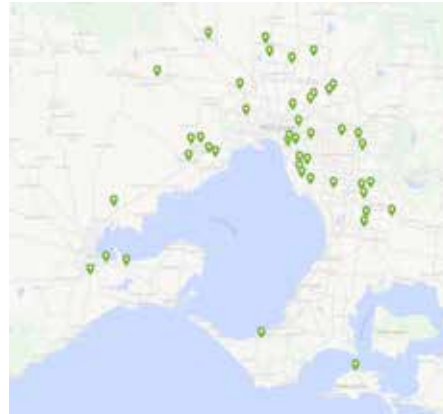
Enhancing Wellbeing - Enhance people's wellbeing at work and our supply chain

CQE Centre Locations

Over 339 operating early learning centres in all states and territories of Australia, with an additional 48 centres in New Zealand.



Australia



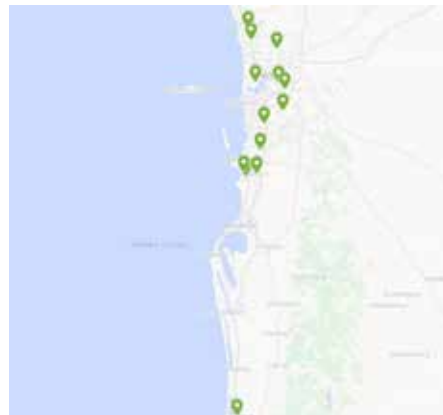
Melbourne, VIC



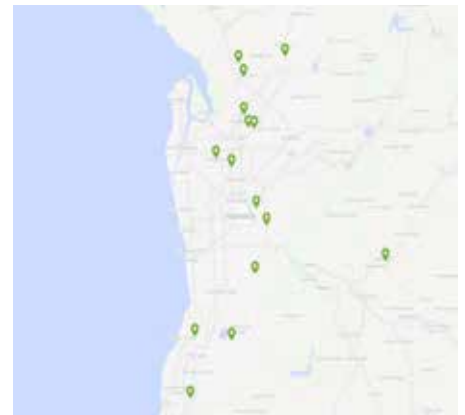
Sydney, NSW



Brisbane, QLD



Perth, WA



Adelaide, SA

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Site Identification

Identification of suitable locations is critical to the success of each learning centre. This is achieved by:



Identifying high success locations through proprietary modelling of demographic and socio-economic trends



Key focus on under-supplied catchments in higher socio-economic locations with long term growth prospects



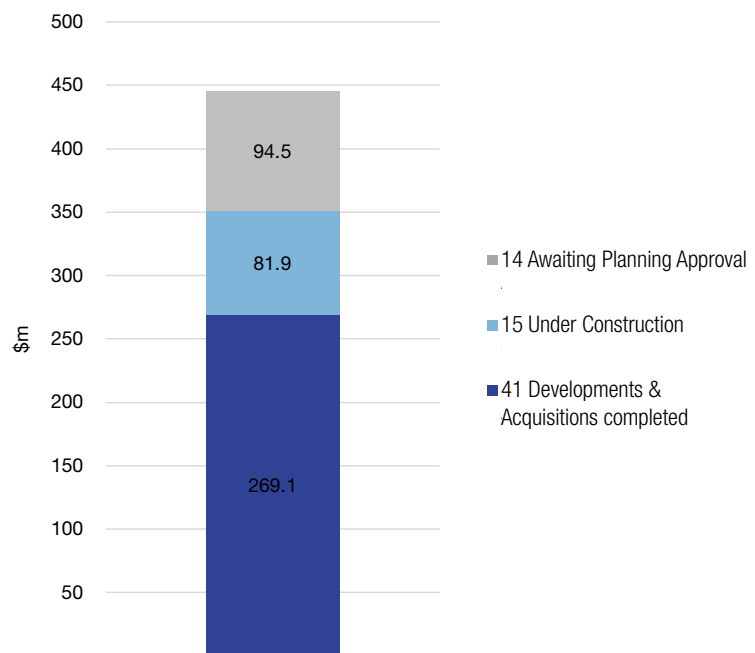
Focus on infill sites within a ~20km radius of CBD as well as rapidly expanding growth areas



A proven model successfully delivering quality centres with leading edge designs, in high demand locations

Current Development And Acquisitions

Valuation of Completed Developments and Centre Acquisitions as at 31 December 2018



CURRENT PORTFOLIO

- **WALE of 9.5 years**
- **99.7%² occupancy**
- **Y-o-Y rental growth of 2.6% to 31 December 2018**
- **339 properties valued in 1HY19 57 resulting in a 2.6% increase on June 2018 carrying values**
- **Overall yield of 6.2% at December 2018**

² Vacant property subject to new lease commencing in 2H FY19

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