

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Jan 15, 2021
2. SEC Identification Number  
CS200613870
3. BIR Tax Identification No.  
006-346-689
4. Exact name of issuer as specified in its charter  
AREIT, Inc.
5. Province, country or other jurisdiction of incorporation  
Makati City, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
28/F Tower One and Exchange Plaza, Ayala Ave. Makati City  
Postal Code  
1226
8. Issuer's telephone number, including area code  
+6327908-3804
9. Former name or former address, if changed since last report  
AyalaLand REIT, Inc.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding	
Common Shares	1,025,656,435	
Treasury Shares	67,329,970	

11. Indicate the item numbers reported herein  
Item 9 - Other Matters

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*

# AREIT, Inc.

## AREIT

### PSE Disclosure Form REIT-4 - Acquisition or Disposition of Assets

*References: Rule 5 of the IRR of the REIT Act of 2009 and  
Section 6 of the Amended PSE Listing Rules for REITS*

#### Subject of the Disclosure

Acquisition of The 30th Commercial Development from Ayala Land, Inc.

#### Background/Description of the Disclosure

On 15 Jan 2021, AREIT, Inc. (AREIT) entered into a Deed of Sale with Ayala Land Inc. (ALI) for the acquisition of The 30th Commercial Development for Php5.1 billion (VAT inclusive).

Located along Meralco Avenue in Pasig City, it is a building with a total gross leasable area (GLA) of 75 thousand square meters (sqm) composed of an office tower and a retail podium.

#### Date of Approval by Board of Directors

Oct 22, 2020

#### Details of the Acquisition or Disposition

##### Date

Jan 15, 2021

#### Description of the Assets Involved

The 30th is a commercial building with a total GLA of 74,704 sqm composed of a 19-storey office tower with a GLA of 47,871 sqm and a 4-storey retail podium with a GLA of 26,833 sqm.

#### Details of the Assets

Type (land, building, etc.)	Location	Size	Rights Acquired (Ownership/ Leasehold etc.)
Building	Meralco Avenue, Pasig City	74,704 sqm	Ownership of the building; leasehold on the land

#### Terms and conditions of the transaction

##### Contract price, valuation and the methods used to value the assets

Price: Php5.1 billion, inclusive of VAT  
Third Party Valuation using income approach; 2021E EBITDA yield of 6.1% based on total acquisition cost

##### Terms of payment

Initial down payment equivalent to 20% of the purchase price is to be paid on the signing date, with the balance to be paid on 29 January 2021.

**Conditions precedent to closing of the transaction, if any**

Full payment of purchase price and transfer of the PEZA accreditation of the office building to AREIT.

**Any other salient terms**

The development is currently under a 36-year land lease agreement between ALI and the land owner, MBS Development Corp. ALI will assign the land lease contract to AREIT as part of the condition of the sale.

The 30th was completed in 2017. The office tower currently has an average occupancy of 94%. The office building is predominantly leased to BPOs (87% of GLA) and other locators (13% of GLA) wherein AREIT will derive stable leasing income. Standard office lease terms are fixed for a period of five (5) years and renewable for another five (5) years.

The retail podium is operated by North Eastern Commercial Corp. (NECC), a wholly-owned subsidiary of ALI under the Ayala Malls brand. NECC will pay a monthly guaranteed building lease to AREIT for a period of 36 years, in line with the land lease term of the property. With this transaction, AREIT will not be subjected to volatility risk from retail operations.

Office and mall lease rates are increased annually between 3% to 5%.

**Identity of the person(s) from whom the assets were acquired or to whom they were sold**

Name	Nature of any material relationship with the Issuer, their directors/ officers, or any of their affiliates
Ayala Land, Inc.	The Sponsor; owns 54% of AREIT, Inc.

**Discussion on the probable impact of the transaction on the business, financials and other aspects of the REIT**

The 30th in Pasig will start to contribute to AREIT's revenues starting January 2021, resulting into higher distributable income for its shareholders.

Together with the recent acquisition of 98 thousand sqm of leased land in Laguna Technopark, AREIT's recurring income portfolio will reach 344 thousand sqm, double its current size of 171 thousand sqm, only five (5) months from its IPO. This likewise brings AREIT's total property value to Php37 billion.

**Other Relevant Information**

This disclosure is being amended to reflect the signing of the deed of sale with Ayala Land.

The acquisition will be fully funded with debt.

About the Third-Party Appraiser:

The appraisal was conducted by Asian Appraisal, a pioneer in the appraisal practice both in the Philippines and throughout the Asia-Pacific Region. Asian Appraisal is accredited by the Securities and Exchange Commission and the Philippine Stock Exchange.

**Filed on behalf by:**

Name	Michael Blase Aquilizan
Designation	Associate Manager