

# ASX Release

## Charter Hall Retail REIT 2026 Half Year Results

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Charter Hall Retail REIT (ASX:CQR) (CQR or the REIT) today announces its 1H FY26 results for the period ended 31 December 2025.

### Financial Highlights:

- Operating earnings of \$75.6 million, or 13.0 cents per unit (cpu), +3.4% growth on 1H FY25
- Distribution of 12.8 cpu, +4.1% growth on 1H FY25
- Statutory profit of \$240.7 million
- Net Tangible Assets (NTA) per unit of \$4.91, reflecting an increase of 5.8% on 30 June 2025
- Balance sheet gearing of 29.2%
- Post balance date CQR has agreed terms to refinance its balance sheet debt platform and enter into a new \$1.6 billion facility with eight lenders. The facility will provide debt margin pricing reduction of 40bps, increase covenant headroom, and extend debt facility maturity to 4.0 years

### Operating Highlights:

- Like-for-like net property income (NPI) growth of 3.0% with shopping centre like-for-like NPI growth of 3.1% and net lease retail like-for-like NPI growth of 2.7%
- Portfolio occupancy remains strong at 99.1%
- Positive specialty leasing spreads of +4.1%, with 116 specialty lease renewals (+4.2% leasing spread) and 70 new leases (+4.0% leasing spreads). Retention rate has increased to 88% for the period
- Total MAT growth of 2.9% with supermarket MAT growth of 2.6%
- Specialty sales productivity of \$11,279 per sqm, with specialty occupancy costs at 11.5% allowing for further growth in market rents

Charter Hall Retail CEO, Ben Ellis, said:

“CQR’s convenience retail portfolio has performed strongly across all metrics over the last six months. The supply of new retail property in Australia is currently around 50% lower than levels seen a decade ago. As population growth continues, demand for convenience-based retail real estate is rising against a backdrop of limited new supply. This supports strengthening rental growth and attractive capital

growth for the sector. These dynamics are reflected in CQR's NTA per unit increasing by 5.8% from \$4.64 to \$4.91 over the half, driven by strong rental growth, enhanced by cap rate compression.”

## Enhancing Portfolio Quality

During 1H FY26, CQR continued its disciplined portfolio curation strategy, investing in attractive new growth opportunities while divesting non-core assets.

- Charter Hall Convenience Retail Fund (CCRF)
  - As previously announced in August 2025, to assist the funding of the HPI acquisition, CQR divested four 100% owned assets together with a 49.9% investment in RP1 and RP2 to the Charter Hall Convenience Retail Fund (CCRF) for \$679 million
  - In December 2025, CQR divested 85% of the Gordon Centre, NSW to CCRF
  - As at 31 December 2025, CCRF is a \$2.5 billion fund comprising 17 metro shopping centres and 12 metro net lease assets (Bunnings). CQR has a \$435 million investment interest in CCRF reflecting 17.2% ownership
- Transactions
  - During the period CQR continued to expand its Net Lease portfolio with the acquisition of 100% of four Bunnings assets for \$151 million, including Bunnings Toowoomba, Cairns and Airlie Beach<sup>1</sup> in QLD and Bunnings Goulburn in NSW.
  - Acquisition of AP Eagers auto showroom and service facility in Kirrawee, Sydney, NSW for \$56 million and the recently completed Tesla auto showroom and service facility in Red Hill, Brisbane, QLD for \$59 million. These were acquired at an attractive average yield of 6.0% and rent review greater of CPI or 3.5%
  - 100% divestment of non core asset, Mareeba Square, QLD for \$28 million

## Portfolio Valuations

100% of the portfolio was externally revalued as at 31 December 2025. The convenience shopping centre portfolio saw net valuation growth of \$87 million or 3.8% driven by income growth and cap rate compression. The convenience net lease retail portfolio saw net valuation growth of \$66 million or 3.0%. The weighted average portfolio cap rates reduced by 11 basis points on a like for like basis to 5.55%.

## Active Management

The CQR portfolio continues to be strategically weighted towards high quality convenience retail tenants. Major tenants include Woolworths, Coles, bp, Bunnings, Kmart, QVC & AVC, Ampol, Endeavour, Gull and Aldi. The total portfolio WALE is 7.1 years and major tenant anchors' WALE is 8.9 years.

The convenience net lease retail portfolio increased over the period to represent 49% of the total portfolio by value, up from 39% as at 30 June 2025. These net leases are linked to a mixture of CPI, CPI+ and fixed rental reviews and will benefit from higher inflation over FY26.

Supermarkets continued to perform well with 84% of supermarket tenants paying turnover rent<sup>2</sup> or within 10%. Supermarkets continue to demonstrate growth in sales delivering 2.6% MAT growth.

Leasing activity achieved attractive results with 186 specialty leases completed at an average spread of +4.1%. This was made up of 70 new specialty leases completed at an average +4.0% leasing

<sup>1</sup> Settlement to occur in March 2026

<sup>2</sup> Includes supermarkets with fixed and CPI rent reviews

spread and 116 renewals completed at an average +4.3% leasing spread. Retention among specialty tenants has improved to 88%, up from 84% at June 2025.

## Capital Management

Post balance date, CQR has agreed terms to refinance its balance sheet debt platform and enter into a new facility of \$1.6 billion across eight lenders. The new facility will provide greater covenant headroom and weighted average debt maturity increases to 4.0 years. The weighted average margin will reduce by 40bps which will offset higher interest rates. Balance sheet gearing is 29.2% at 31 December 2025.

The REIT also increased its hedging over the period, resulting in average hedging of 60% over FY26 and 68% over FY27 providing interest rate stability.

## Transactions to settle in 2HFY26

CQR continues its portfolio curation strategy through the execution of the following transactions which will settle over 2H FY26.

- 100% acquisition of three sub-regional, non-metro shopping centre assets for \$251 million at an average yield of 6.7% (Armidale Central NSW and Gympie Central and Whitsunday Plaza in QLD). The assets are strongly performing and dominant in their catchments with occupancy of 99%. Settlement will occur in late February 2026
- 100% divestment of three 100% owned metro shopping centres to CCRF for \$208m at an average yield of 5.3% (Arana Hills QLD, Kings Langley NSW and Butler WA). Settlement will occur by 30 June 2026
- Divestment of Lansell Square, Bendigo, VIC for \$110 million with settlement due in March 2026
- Increasing interest in CH Ampol Partnership No.1 from 5.0% to 50.0%, representing a \$203 million equity commitment. The high-quality portfolio is supported by a triple-net lease structure, 100% occupancy and a 14.1 year WALE. Assets are concentrated on the eastern seaboard (85%), with 73% located in metropolitan areas and a further 10% within commuter metro belts. Settlement is expected in late March 2026

Charter Hall Retail CEO, Ben Ellis, said:

"This result demonstrates the continued execution of our portfolio curation strategy. In line with our strategy, we have materially increased CQR's Net Lease convenience retail investments to 51% of the total portfolio (proforma post transactions to occur over 2H FY26), with a range of new acquisitions, strengthening rental growth prospects and materially reducing future capital expenditure. We have also secured the acquisition of three new high performing, dominant convenience shopping centres that are accretive to CQR's earnings, driving shareholder returns. CQR is well positioned to capitalise on the strong and sustained momentum in the market and our team remains focused on delivering the highest income and earnings growth within the convenience retail sector."

## Summary and Outlook

CQR's strategy is to deliver the highest property income and earnings growth from the convenience retail sector.

Based upon information currently available and barring unforeseen events, CQR reaffirms upgraded guidance for FY26 operating earnings to be no less than 26.4 cents per unit (growth of 4.0%) and FY26 distributions of no less than 25.5 cents per unit (growth of 3.3%).

CQR is paying quarterly distributions from Q1 FY26 onwards.

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## *Announcement Authorised by the Board*

### **Charter Hall Retail REIT (ASX: CQR)**

Charter Hall Retail REIT is the leading owner of property for convenience retailers.

Charter Hall Retail REIT is managed by Charter Hall Group (ASX: [CHC](#)). Charter Hall is Australia's leading fully integrated diversified property investment and funds management group. We use our expertise to access, deploy, manage and invest equity to create value and generate superior returns for our investor customers. We've curated a diverse portfolio of high-quality properties across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure. With partnerships and financial discipline at the heart of our approach, we create and invest in places that support our customers, people and communities to grow.

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