



**LDC**  
INFRASTRUCTURE



WIRELESS  
COMMUNICATION



DIGITAL  
INFRASTRUCTURE



OUTDOOR  
ADVERTISING



RENEWABLE  
ENERGY



[LDCINFRASTRUCTURE.COM.AU](http://LDCINFRASTRUCTURE.COM.AU)



With over 5,000 transactions completed, our customers have rated us **4.85 out of 5 stars for service**



## ABOUT

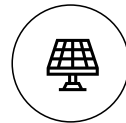
LDC Infrastructure is the Australian leader in ground lease acquisition and wholly owned by Landmark Dividend LLC. Landmark has over 5,000 leases under management and capital resources of over \$1 billion.

At LDC Infrastructure we pride ourselves on providing the fastest and easiest access to capital for property owners with telecom, data, advertising or renewable energy leases on their property. We specialise in extracting value for our clients by placing a premium price on these assets.

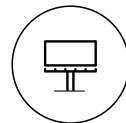
## OUR CORE BUSINESS



WIRELESS COMMUNICATION



RENEWABLE ENERGY



OUTDOOR ADVERTISING



DIGITAL INFRASTRUCTURE

# CREATING VALUE

The majority of our clients don't recognise the value in their infrastructure lease until they work with LDC.

Our clients range from individual property owners to publicly-traded companies, but they all have one thing in common; they have a better use for the upfront capital than ongoing rental payments. We have consistently seen clients create value with the capital received by reinvesting in numerous different ways including:



## REAL ESTATE

Reinvesting the sale proceeds into real estate to target long-term capital growth in addition to recurring income.



## CAPITAL PURCHASES

Sometimes it is the right time to buy something fun (new car) or something essential (new tractor).



## SUPERANNUATION

Some of our clients have used the sale proceeds to bolster their superfund or it has even allowed them to retire immediately.



## REDUCING DEBT

Paying down debt to reduce risk and free up cash flow for other more profitable uses.



## REINVESTING IN THE BUSINESS

Many small businesses have used the lump sum to grow their business to the next level.



## SHARES

Reinvesting in the share market to enjoy a balance of long-term capital growth and shorter term yield.

“We found the process simple, straight forward and stress free. LDC Infrastructure delivered on their promises. We would highly recommend partnering with them on any lease sale transaction.”

Mr and Mrs Armstrong,  
Woolgoola, NSW



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# ELIMINATING RISK

When LDC enters into an agreement to purchase a ground lease, we take on all the associated risks. We have a large, diversified portfolio of infrastructure leases which allows us to accept and even expect that a percentage of the leases we purchase will be cancelled, a luxury most lease owners can't afford.

There are two primary risks associated with infrastructure leases:

## RISK OF DECOMMISSION:

There is always a risk of your site being decommissioned. The majority of infrastructure leases tend to be one-sided, favouring the tenant. For example, most include clauses allowing the tenant to cancel with 6-12 months notice, even mid-term. Leases have been cancelled frequently over time due to industry consolidation, technology upgrades and general market efficiencies. Technology evolves at such a rapid pace that it usually has a limited lifespan of around 20-25 years from installation, causing uncertainty and doubt.

In the telecommunications industry, the coming rollout of 5G technology will bring with it a new wave of infrastructure changes. In the outdoor advertising industry, leases have been cancelled due to changes in traffic flow, visibility of the site being impeded from tree growth or new infrastructure, and advertising permits not being renewed by the local council.

## RISK OF RENT REDUCTION:

Rising costs for tenants, and a mandate to maintain profit margins means that this is the much more significant and present risk facing property owners. Rents are continually being compressed after years of increasing at rates above CPI, resulting in a large proportion of leases at well above current market rates coming up for renewal.

In the outdoor advertising industry, leases are also subjected to possible rent reduction, as advertising revenues are closely tied to the greater economy and the industry continues to move toward digital sites bringing in greater revenue.

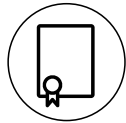
# SETTLEMENT PROCESS

At LDC we have a strong, Australian-based team set up to make the settlement process thorough and efficient. We work with the award-winning Corrs Chambers Westgarth as our leading legal partner and have simplified the process into these key steps:



## HEADS OF TERMS SIGNED

confirming agreed commercial terms of the transaction.



## DRAFT AGREEMENT

prepared by LDC legal team.



## LEGAL AGREEMENT

negotiated in good faith.



## BANK CONSENT IS OBTAINED

if there is a mortgage on the property.



## SETTLEMENT OF TRANSACTION

takes place and funds paid within 7 days of the above steps being completed.



“We have been approached by LDC Infrastructure for years about the sale of the Vodafone lease. We greatly appreciate [the work we’ve done together], and thank you to the brilliant help and incredible patience of Harley Mckenzie [of LDC]. He answered all our queries and doubts and was always contactable. With Harley’s help, the process was simple and straight forward.”

Wan Tang,  
Para Vista, SA



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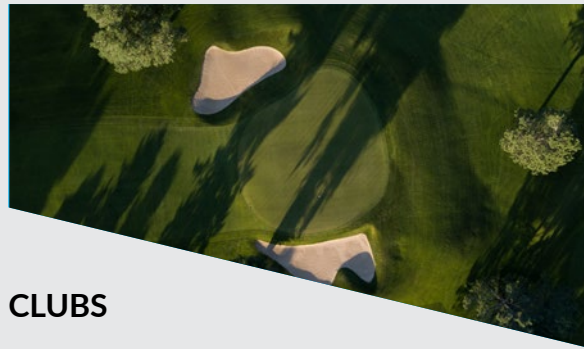
WE WORK WITH...



## LANDOWNERS SELLING THE PROPERTY

LDC purchases leases off landowners selling or thinking of selling their property. LDC will value the specialised lease for more than an incoming purchaser of the underlying land and this combination increases the overall property value.

Usually banks and valuers don't place much value on the leases due to the termination risks in a contract of this nature.



## CLUBS

Many recreational and sporting clubs around Australia have transacted with LDC.

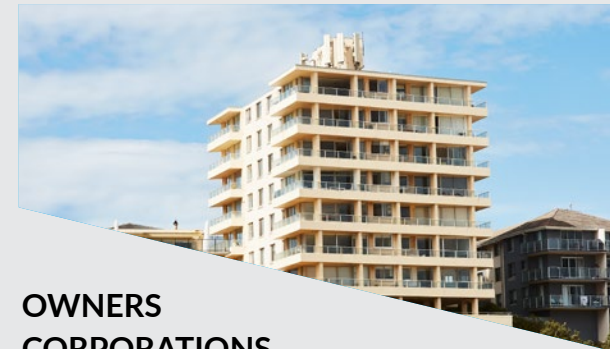
Funds from the sale of the leases on the property are frequently used to increase profitability of the underlying business by upgrading facilities such as gaming rooms, attracting new members or simply to assist with cash flow.



## FARMERS

LDC has completed hundreds of specialised lease purchases with owners of agricultural land all around Australia. Often the funds are used from the sale of the leases to fund capital works required for farm operations.

The landowners frequently understand that capital investment is a better long-term strategy than retaining temporary infrastructure leases.



## OWNERS CORPORATIONS

Residential apartment buildings often have telecommunications leases on the rooftop as it has been a natural fit for the technology to date.

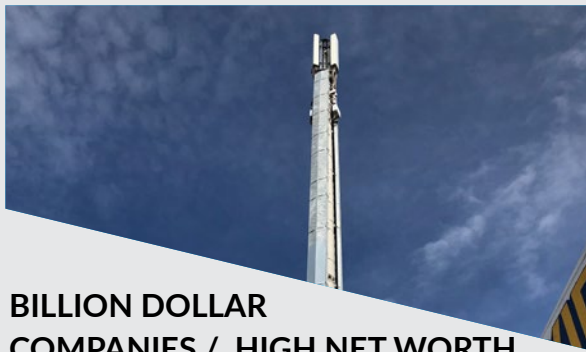
Many Owners Corporations have transacted with LDC to assist with required capitals works and avoid special levies. Owners also understand that the leases are temporary in nature and may be effected by the rollout of future technologies.



## CHURCHES AND NOT FOR PROFITS

Selling leases to LDC that are non-core to the organisation itself has enabled many churches and not for profits to release significant capital for better use.

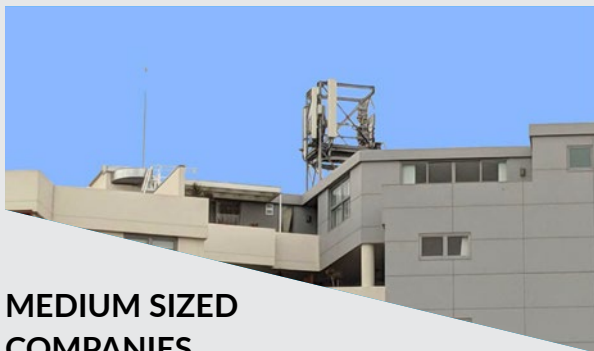
The funds have frequently been used for renovations of the existing site or repurposing the funds to benefit the communities that they are servicing.



## BILLION DOLLAR COMPANIES / HIGH NET WORTH INDIVIDUALS

LDC has completed lease purchase transactions with multinational mining companies and large retail portfolio owners.

In all instances they saw the asset as disposable and an easy way to raise capital for other projects.



## MEDIUM SIZED COMPANIES

Many medium sized companies often in the building or industrial space have sold leases to LDC.

Reasons are many and varied but often include the following; increasing working capital, maximising shareholder wealth, repurposing the funds for higher returns, succession planning or maximising land sale returns.



“Duggans Pty Ltd in Cradoc, Tasmania would like to thank LDC Infrastructure for their support and professionalism in arranging the concurrent leases of the Telco tower on our property for an upfront lump sum payment. This lump sum enabled active working capital for significant infrastructure projects within the business to occur.”

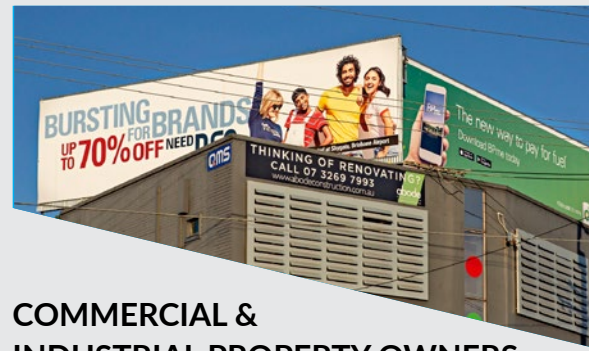
Brent Hardy, General Manager,  
Duggans Pty Ltd, TAS





## OUTDOOR ADVERTISING

WE WORK WITH...



### COMMERCIAL & INDUSTRIAL PROPERTY OWNERS

Commercial and industrial property is often a natural fit for outdoor advertising sites as it is often situated on high traffic roads and main arterial roads.

Landowners that have transacted with LDC by selling their advertising lease often do so as they have a better use for the capital, and our value of the lease is usually at a higher cap rate.



### HIGH NET WORTH INDIVIDUALS

High net worth individuals have sold advertising leases to LDC as a simple strategy to release capital to repurpose into other investment vehicles.

This has included multi-million dollar strata rooftops and traditional advertising ground leases.



### MULTI SITE OWNERS

LDC has completed a number of outdoor advertising lease transactions where owners have numerous advertising sites installed on multiple properties.

Often these landowners have had a history in the outdoor advertising industry and understand that the money LDC will pay for these leases is higher than they will receive from any other interested party including the outdoor advertising industry participants.



### LARGE CORPORATES

Large corporations have transacted with LDC by selling advertising leases with the primary objective to maximise returns.

They have realised that selling the underlying real estate and advertising lease separately is an effective way to attain maximum value.





## HIGH NET WORTH LANDOWNERS

LDC has purchased wind turbine lease contracts from high net worth landowners around Australia.

The highest contract value has been in excess of \$10m. The proceeds from the sale of leases has been repurposed to assist with family succession planning, while the land is retained to continue farming operations.



## SPECIALISED ASSET LANDOWNERS

LDC has an interest in acquiring lease rights to specialised assets that may not fit within the traditional boundaries of wind turbines or solar panels.

This includes but is not limited to transmission lines, substations, pipelines or any other infrastructure that has an expected lifecycle of greater than 20 years.



## FARMERS

Farmers have sold their wind turbine leases to LDC to repurpose capital as required.

The most common uses for the funds are to fund capital works or farm operations, maximise returns by selling separately to the underlying real estate or to assist with family succession planning or asset splits.



## LARGE MULTINATIONAL SOLAR COMPANIES / DEVELOPERS

LDC's parent company Landmark Dividend purchased nearly 400 acres of land underneath utility-scale PV projects in California for approximately USD \$73m in one single transaction.

LDC is actively seeking similar opportunities in Australia and we are equally happy to work with landowners with existing solar leases in place or solar developers seeking to secure land rights for upcoming projects.



## RENEWABLE ENERGY

### Interesting Fact:

“We currently have over 4 gigawatts of solar, wind, transmission and battery storage infrastructure ground leases under management.”



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# FREQUENTLY ASKED QUESTIONS

1

## HOW DOES A TRANSACTION WITH LDC INFRASTRUCTURE WORK?

LDC Infrastructure is a ground lease acquisition company. For a cash lump sum, we buy ground leases from property owners who have telecom towers or antennas, billboards, wind turbines, solar farm panels or fiber optic cabling on their property. This transaction does not affect the asset itself. In exchange for a significant cash payment to the property owner, LDC Infrastructure receives the future rent payments from the tenant for a defined period of time.

2

## WHY WOULD A PROPERTY OWNER SELL THEIR LEASE?

All of our clients are different, but they have one thing in common – they have a better use for the lump sum than the potentially unsecure rent. In the past we have seen clients use the lump sum to get higher returns in real estate, shares or reinvest in their property or business. Additionally, we have seen clients pay down debt, bolster their super or fund a capital purchase.

3

## HOW DOES LDC VALUE MY SITE?

There are a number of factors that influence how we value your site. Our analysts will research the other sites in the area, market rent for the area and the risks associated with the particular site. Additionally, we consider specifics to your site such as the fixed annual increases, creditworthiness of the tenant, and annual rent. The valuation that is provided to you will take into account all of these factors as we determine what rent to expect from the site in the medium-term.

4

## WOULD THIS TRANSACTION AFFECT MY ABILITY TO SELL MY PROPERTY?

When the property is sold it is simply sold without the income associated with the lease. We also have significant evidence to demonstrate that selling the property and lease separately means more money to you overall. Prospective buyers will be aware that the rental rights have been sold – our interest in the lease is registered on title (the format of this registration varies by state and individual transaction but is designed to be non-restrictive).

5

## WOULD THIS TRANSACTION AFFECT THE VALUE OF MY PROPERTY?

Banks, valuers and agents typically attribute negligible value to these assets because the tenant usually has the ability to terminate the lease with 6-12 months' notice. They also recognise that unlike a traditional property, if a tenant leaves they will not be easily or swiftly replaced. This impairs potential purchasers of your property as it creates issues with getting financing on their purchase. Time and time again we see property owners get higher overall net proceeds from selling their property when they sell the lease and property separately. This is validated by the fact that LDC has completed numerous transactions when a property was for sale. In each case the vendor realised that they extracted hidden value that was not being recognised by the purchaser.

6

## WHAT ARE THE IMPLICATIONS OF THIS TRANSACTIONS ON MY ABILITY TO REDEVELOP MY PROPERTY?

We are happy to include a redevelopment clause in our legal documents. This would allow you the freedom to redevelop the property as you see fit. Naturally the redevelopment cannot be in breach of LDC's interest in the current lease (which is consistent with your current arrangement). We simply require that after the redevelopment, the tenant continues to see the site as viable, and the changes do not affect the rent payable under the lease.

7

## WHAT HAPPENS IF THE LEASE IS TERMINATED? IS THE LUMP-SUM NON-RECOURSE?

When we buy the lease at a site, we take the risks associated with the lessee terminating or decommissioning the site. This includes the risk of a reduction in rent. The lump sum is completely nonrecourse if the lessee decides to vacate the site at their choosing – eliminating risk is a driving factor for many of our clients to sell their lease.

8

## WHAT RISKS ARE THERE TO HOLDING ONTO MY LEASE?

Minimising risk is a driving factor for a lot of our clients to sell their lease. Experts estimate that over 10% of telecom leases have been decommissioned since 2010 due to industry consolidation including the Optus and Vodafone Joint Venture. The continuous rollout of new technology will bring on a new wave or industry consolidation as a portion of existing sites will not meet future requirements.

In the outdoor advertising industry, the bigger risk is from static sites which continue to lose relevance and advertising revenue as the industry evolves into a preferred digital platform. Site viewing being impeded and council renewal of advertising permits remains an ongoing concern in this industry.



“Daniel Francis [of LDC] contacted us and explained the LDC proposal in detail and answered every question we had. Thank you Daniel for everything.”

Glennyce P,  
Ravenshoe, QLD



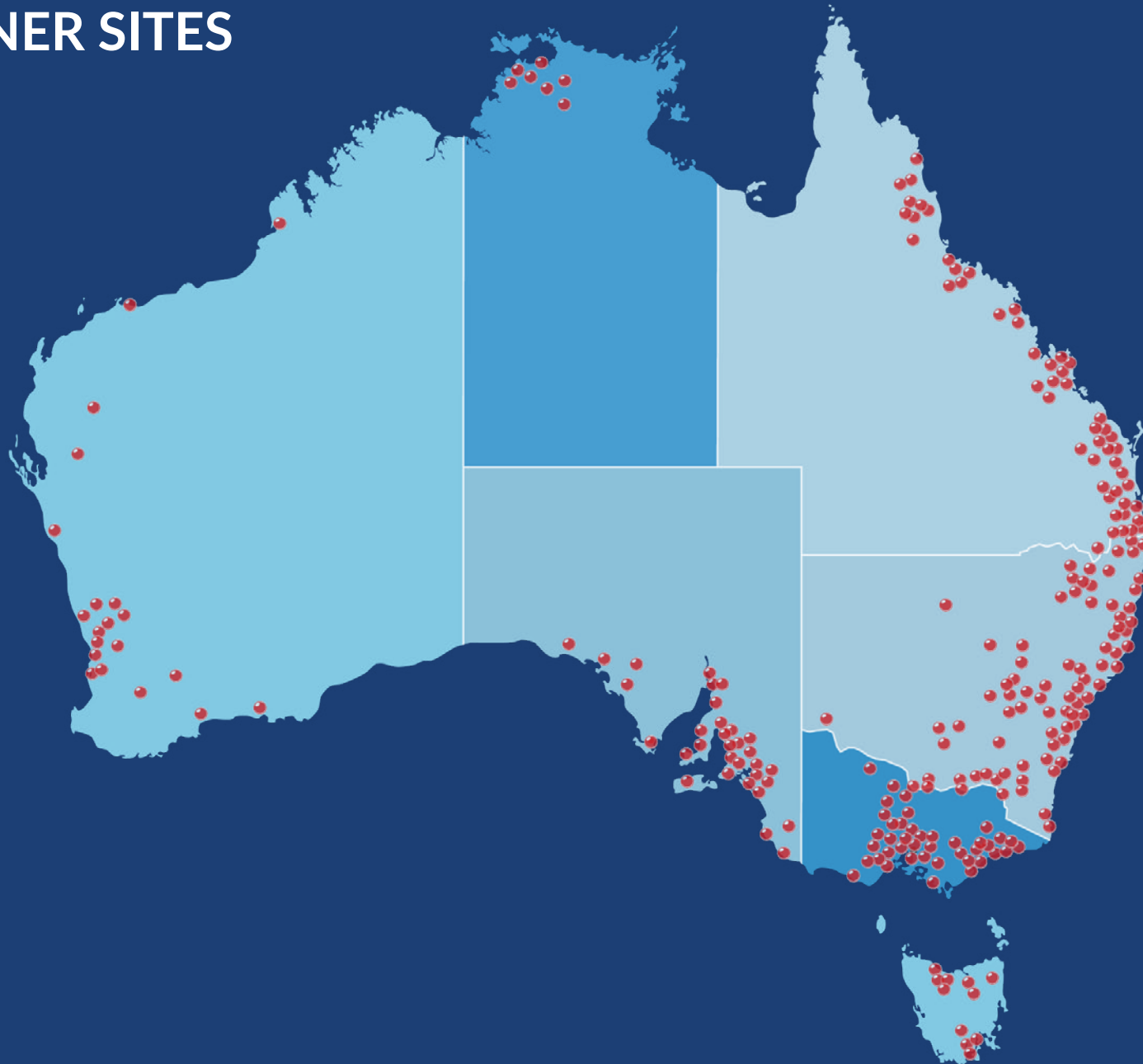
“I recently sold my interest in a Telstra tower to LDC Infrastructure. The transaction was handled by Daniel Damarra in a friendly, professional and efficient manner and I highly recommend him and his company.”

Edward P,  
Southern VIC



# LDC PARTNER SITES

.....and growing



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INFRASTRUCTURE

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