Preston Rowe Paterson

International Property Consultants

Economic Report

Australia

December Quarter 2016

HIGHLIGHTS

- All Groups CPI figures increased by 0.5% over the quarter to bring annual headline inflation to 1.5%.
- Ten-year Australian government bond yields finished the calendar year at 2.79% in December.
- The Reserve Bank kept interest rates unchanged for December at 1.50%.
- Through the September quarter, seasonally adjusted GDP declined by 0.5%.
- Australia's current account deficit experienced decline of $4,585 million, or 28.8%, over the September quarter to bring the deficit down to $11,358 million.
- Australia's unemployment rate in December increased by 0.1% to 5.8%.

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Inflation and Investor Sentiment

Consumer Price Index

All Groups CPI numbers for the December quarter indicate that inflation rate had increased by 0.5% over the quarter, bringing price growth to 1.5% over the year. Core inflation (inflation with volatile items stripped out) increased 0.4% over the quarter to bring annual growth to 1.6%. The yearly increase to December is still larger than the yearly increase recorded in September (1.3%), though figures were still lower than economists' expectations for a 0.7% rise. Notably, the 1.5% increase over the calendar year is the lowest in nineteen years, with the last time being back in 1997 when inflation fell backwards by 0.2%.

The main contributors to the quarterly increase stemmed from Alcohol & tobacco group (+2.8%), Transport group (+1.7%), Food & non-alcoholic beverages group (+0.6%) and Recreation & culture group (+0.6%). On the other hand the largest decline in prices stemmed from the Communications group (-0.8%), Furnishing, household equipment & services group (-0.8%), Health group (-0.6%) and Clothing & footwear group (-0.5%).

Australia's Housing group increased by 0.3% over the quarter, with the main contributors to this rise stemming from purchases of New dwellings by owner-occupiers (+0.5%) and maintenance & repair of dwellings (+1.0%). The ABS did note that the increase in purchases of new dwellings by owner-occupiers is driven by rises in input costs. Over the calendar year, the Housing group experienced an increase of 1.9%, with the main contributor again being purchases of new dwellings by owner-occupiers (+0.5%).

When we look at Australia's capital cities, all but Darwin experienced increases in their All Group CPI. Again, the Alcohol & tobacco group is the most significant contributors in all eight cities, which over the quarter was driven by increases in tobacco prices of 7.4%- a flow on effect of the increase in the federal government's excise tax which was effective since September 2016. Transport group was the second most significant contributor to inflation across all capital cities, mainly driven by an increase of 6.7% in automatic fuel over the quarter- a result of the rise in world oil prices.

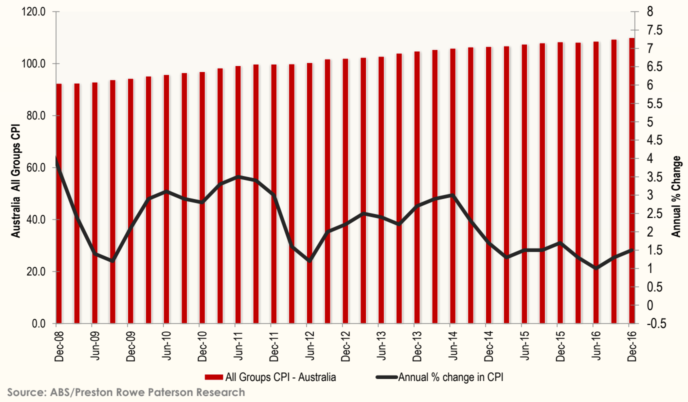

Chart 1—All Group CPI and Annual Percentage Change from December 2008 to December 2016—Source—ABS

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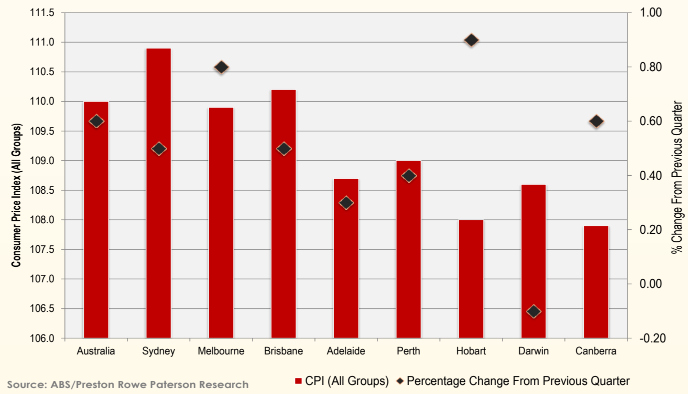

Chart 2—All Group CPI (Capital Cities) and Percentage Change from September 2016 to December 2016—Source—ABS

	Percentage Change	
	Quarterly to Dec 2016	Yearly to Dec 2016
Sydney	0.5	1.8
Melbourne	0.7	1.5
Brisbane	0.5	1.6
Adelaide	0.3	1.3
Perth	0.4	0.4
Hobart	0.8	1.3
Darwin	-0.1	-0.4
Canberra	0.6	1.8
Weighted Average of 8 Capital Cities	0.5	1.5

Table 1 — Quarterly and Yearly Percentage Changes in Australia's Capital Cities, including Weighted Average—Source— ABS

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Business Sentiment

Business conditions declined over the month to November, as the National Bank of Australia reports further declines in business conditions that is mainly driven by profitability and trading conditions in sales and subdued levels of employment in Australia. For the month of November, business conditions index declined by 2 points to +5 index points, ultimately declining to long run average levels for the first time since April 2015. In saying this, business confidence has increased over the month, remaining steady through the year. Business confidence in response to global political events, i.e. Brexit and the US Presidential elections were relatively flat, though when combined with weakening business conditions makes confidence a more difficult measure to accurately calculate.

Business conditions declined heavily in Western Australia (-9 points) and increased the most in New South Wales (+5 points). Business confidence eased in Victoria, Western Australia and Tasmania- all by 2 point, while South Australia experienced a decline of 1 point. Queensland did not experience any change in confidence, New South Wales increased by 1 point. Overall, South Australia remain that most confident state (+10, trend terms), followed by New South Wales (+8) and Queensland (+7), whilst Western Australia remained the least confident with -1.

Consumer Sentiment

Consumer sentiment, as measured by the Westpac Melbourne Institute Index, dropped in December amidst concerns circling the economy, interest rates and the labour market. The index stands at 97.3- a decline of 3.5% from November's index of 101.30- and indicates that pessimists now outnumber optimists (with 100 being the cut-off point). The index stands at its lowest level in six months, just higher than April's index of 95.1, with the Australian economic condition, budget and taxation, geopolitical conditions, employment, politics and interest rates the main issues influencing respondents' attitudes and decisions. It is noted that since September, respondents were less optimistic in their assessment of Australia's economic conditions, employment and interest rates, and unchanged in their assessments of taxation and the budget, international conditions and politics.

Economic data from the ABS of September's economic contraction of 0.5% has undoubtedly influenced December's decline, though Westpac's Chief Economist, Bill Evans, has pointed to a better economic outlook for 2017. Furthermore, a lift to the terms of trade brought on by the increase in commodity price since the second half of 2016, sustained strength in the housing market (especially in the eastern states), positive indicators for job growth, stronger global economic outlook, are expected to contribute growth forecast lifting from the current 1.8% to 3.0% in 2017.

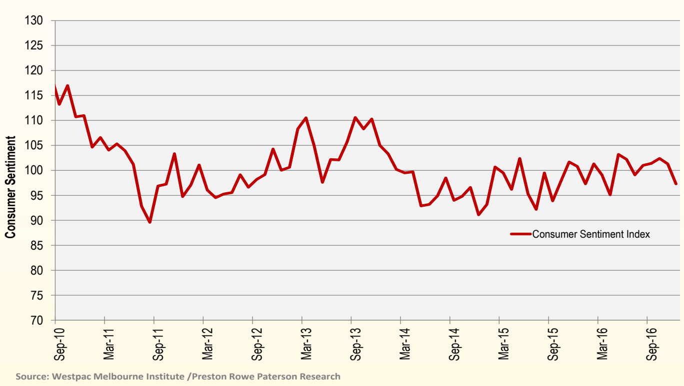

Chart 4—Consumer Sentiment Index, 2000-2016 Overview—Source—Westpac Melbourne Institute Survey

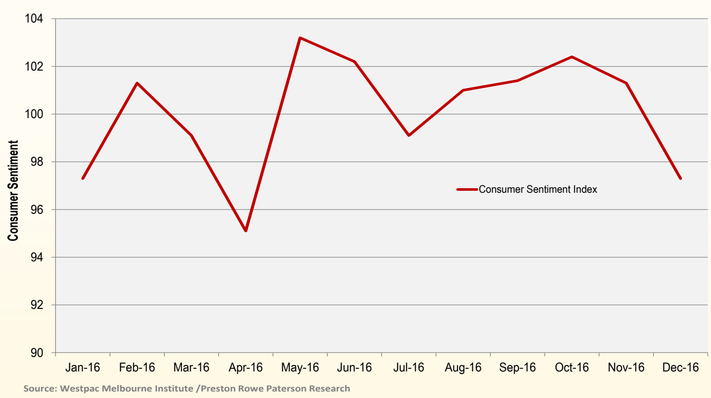

Chart 5—Consumer Sentiment Index, 2016 Overview—Source—Westpac Melbourne Institute Survey

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Lending Rates

10 Year Bond & 90 Day Bill Rate

Ten-year Australian government bond yields finished the calendar year at 2.79% for December, after a tumultuous year in the global bond market. This rate reflects a 0.29% increase from November, 0.81% increase from three months prior and a decline of 0.06% over the year from December 2015.The ninety-day bank bill swap rate increased modestly by 0.02% over the month to 1.78%. This rate reflects an increase of 0.05% from three months prior and a decline of 0.56% from the previous year.

After reaching an all-time low of 1.82% at the start of August, Australian bond yields have followed the path of the US Treasury yields as they increase sharply after the US Presidential election.

Other major economies around the world have experienced similar increases in their sovereign bonds, though not to the extent of changes that have taken place in the US Bond market. The Reserve Bank did note that even though changes in Treasury yields were large, they were not as large as previously recorded movements in recent decades and are still at a historical low. Furthermore, a rate increase from the US Federal Reserve in December helped the yields to increase to 2.87% in mid-December, before slowly settling down to 2.76% towards month-end. As a result of the increase in yields, global and domestic borrowing costs have followed suit, with Australian banks raising home loan rates by as much as 0.60% since the US election.

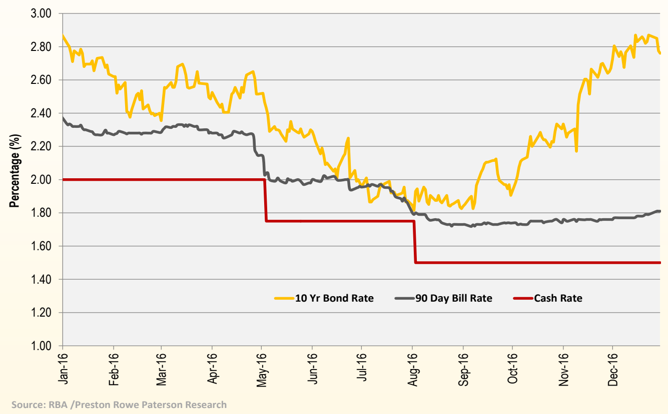

Chart 6— Movement of 90-day Bill, 10-year bond yields and Cash rate in2016– DAILY– Source: RBA

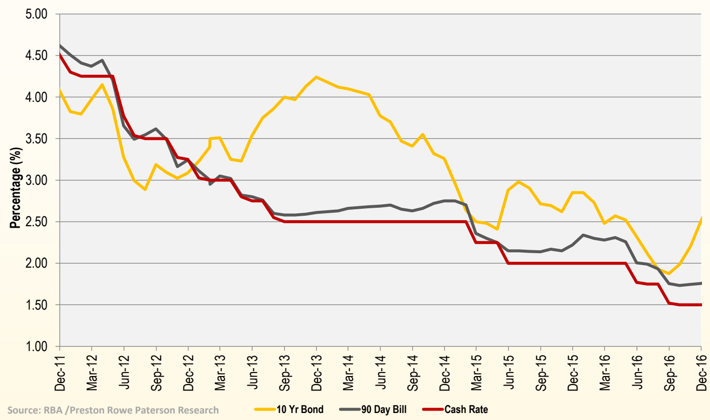

Chart 7— Movement of 90-day Bill, 10-year bond yields and Cash rate from December 2011 to Dec 2016– MONTHLY– Source: RBA

Interest Rates

The Reserve Bank kept interest rates unchanged for December at 1.50%, after it dropped rates to historically low level in August. The decision to keep the cash rate on hold was influenced mainly by positive global growth from advanced economies as well as Australia's main Asian trading partners, improvements in labour market conditions domestically and internationally, improvement in Australia's terms of trade as influenced by rising commodity prices and a well-functioning financial market. The bank did note that the Australian economy is still in a transitional phase from the gains made from the mining investment boom but highlight the expectation of an increase in commodity exports towards 2017. Inflation remains below the Reserve Bank's target of 2-3%, with the bank indicating that it will be some time until inflation increases dramatically, as labour costs remain subdued. The Bank also targeted Australia's labour force, noting growing trend of part time employment and a slow-down in overall employment growth.

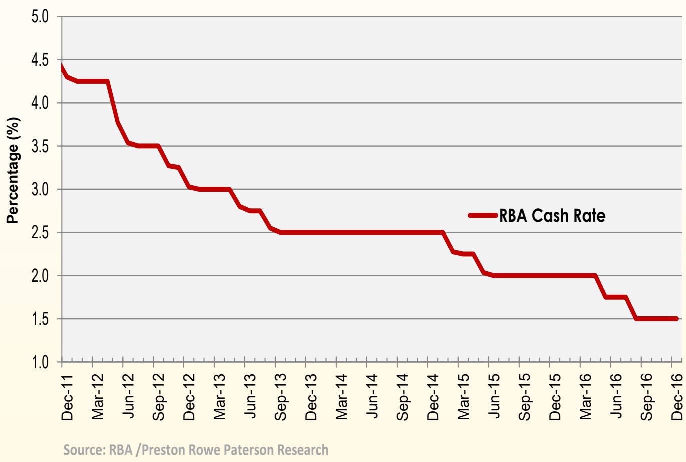

Chart 8— Movement of the Cash Rate from December 2011 to Present— Source: RBA

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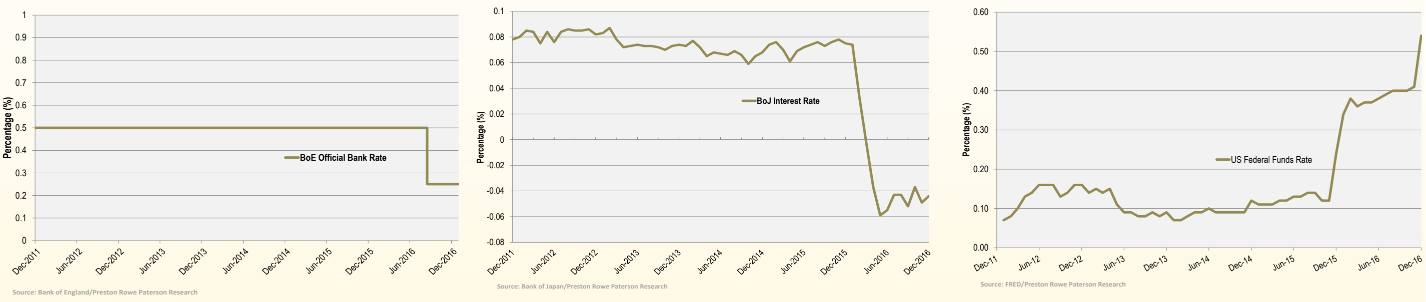

Chart 9— Movement of Central Bank's Cash Rate in England, Japan and US— Source: Bank of England; Bank of Japan; US Federal Reserve

Housing and Business Loan Rates

Australia's housing market remains a recurring theme, with the Bank reiterating the multi-speed economy in which there are major variations in supply and demand across the country between houses and apartments. As noted, APRA's newly enforced lending standards have led to lenders taking extra precautions in certain segments, i.e. when lending the overseas buyers. Furthermore, as noted previously, the increase in domestic and international bond yields have forced lenders to increase their rates on fixed-interest rate loans, sparking concerns for an increase in household debts in the future.

For December, lending rates for small businesses remain mainly unchanged over the December quarter. Residential secured loans and Other loans remained at 6.40% and 7.25% respectively. Over same period, 3-year fixed business loans increased by 0.05% to 5.30%. All home loan rates remained unchanged. Variable loans, Home equity loans and Mortgage manager variable loans remained at 5.25%, 5.65% and 5.00% respectively.

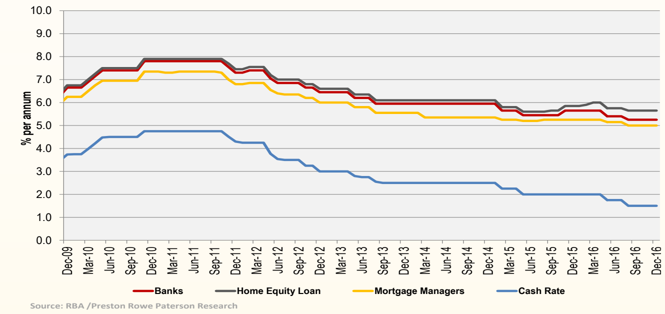

Chart 10— Housing Loan Indicator Lending Rates— Source: RBA

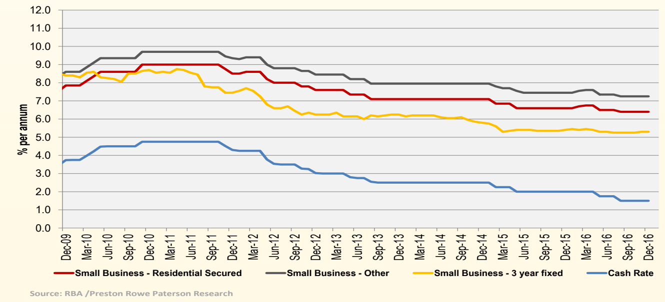

Chart 11— Small Business Indicator Lending Rates— Source: RBA

Australian Exchange Rates

According to figures collated from the RBA, the Australian Dollar depreciated against most major currencies over the month of December, except for the Japanese Yen. Notably, there was a depreciation in the Australian Dollar of 3.2% over the month against the US Greenback, with $AUD1 buying $USD0.75 in November, and dropping to $USD0.72 in December. December's figure also signifies a depreciation of 5.2% from September, when the exchange rate was at $USD0.76. The Dollar also depreciated against the British Pound, declining 1.6% over the month from £0.60 in November to £0.59 in December. There was a depreciation of 2.2% over the month against the Euro, declining from €0.70 in November to €0.69 in December. In contrast, the Australian Dollar performed better against the Japanese Yen, appreciating a slight 0.3% from ¥84.23 in November to ¥84.47 in December.

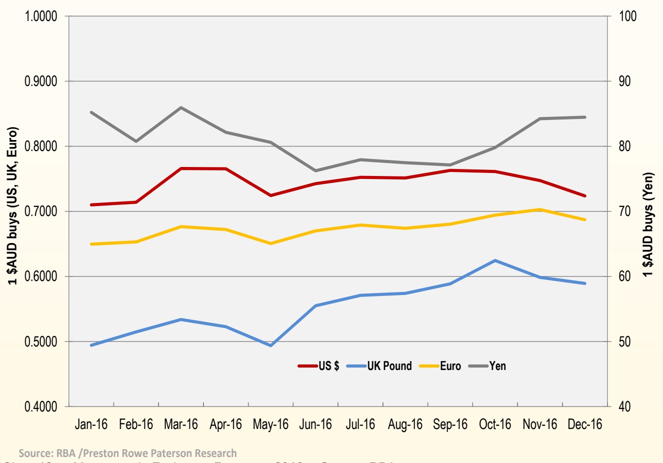

Chart 12— Movement in Exchange Rate over 2016— Source: RBA

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Equity Markets

Share Price Indices

The S&P/ASX 200 Index increased by 4.24% over the quarter, from 424.7 in September to 442.7 in December. Over the twelve months, the Australian share price index increased by 7.0%. Over the same period, the US S&P500 increased by 3.26% over the month, and 9.5% over the year to 678.0 for December.

The S&P/ASX 200 Index remains lower than historical numbers, down 16.7% since peaking in November of 2017. Furthermore, it remains 5.1% lower than 2015 high as momentum in earnings remain stagnant and low prospect of interest rate cuts in the future. Throughout 2016, the Australian was heavily influenced by global events, including the results from the British Referendum in June, Presidential election in November and the slow-down in China's economic growth.

The S&P 500 had a strong year, finishing off with nearly double digit annual growth. In line with global economic events, there were turbulent periods in the market as influenced by the aforementioned geopolitical events. Notably, the worst one-day decline for the S&P 500 occurred on after the decision of Brexit was announced, resulting in a decline of 76 points, or more than 3.5%. The market did in fact jump back to above the level to which it had closed on June 24, and moreover, increased to all-time high and essentially ignoring the Brexit-influenced decline.

Industrials, All Ordinaries & Property Trust Index Values

The All Ordinaries Index finished 2016 on a high at 5719.1, up 216.7 points (or 3.9%) from November, as it emulates the strong rise in US indices in the aftermath of the US Presidential election. On a yearly basis, the All Ords increased by 374.54 points, equating to an annual increase of 7.0%.

The Industrials Index experienced a more mediocre change over the month to December, increasing by 70.1 points (or 1.4%) to 5176.8 from November's 5106.7. Nevertheless, the index experienced a strong 6.5% increase over the year, through which it increased by 315.47 points from December 2015's figures.

The Property Trust Index performed strongly throughout December, of which it increased by 69 points (or 5.2%) from November's 1326.4 to December's 1395.4. Over the year, the Index experienced an annual increase of 8.1%, rising from December 2015's figure of 1291.22.

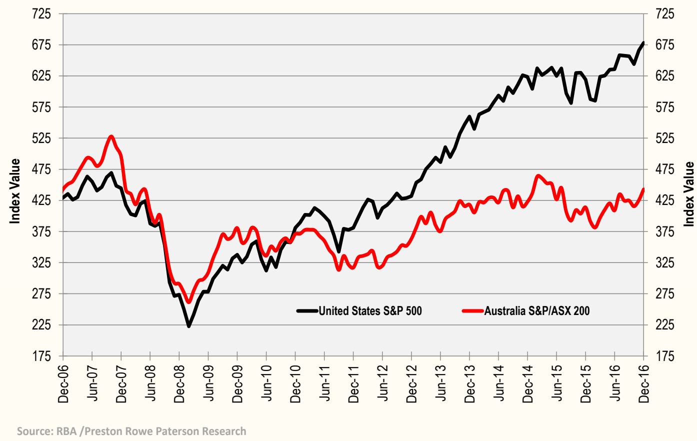

Chart 13— Australian and US Share Price Indices, December 2006 to December 2016— Source: RBA

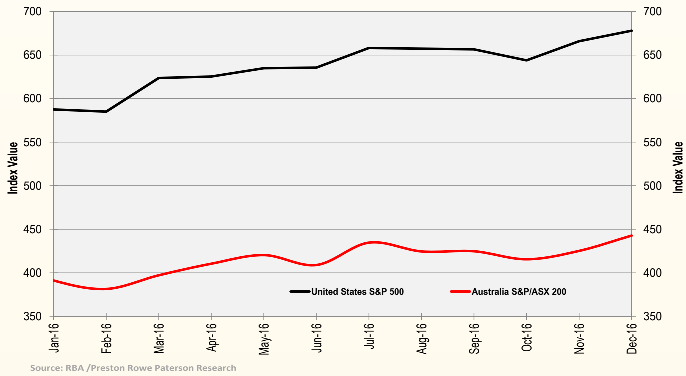

Chart 14— Australian and US Share Price Indices in 2016— Source: RBA

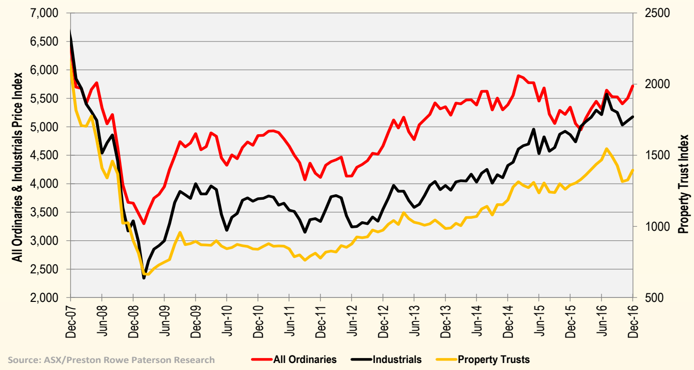

Chart 15— Australian Share Price Indices, December 2007 to December 2016— Source: ASX

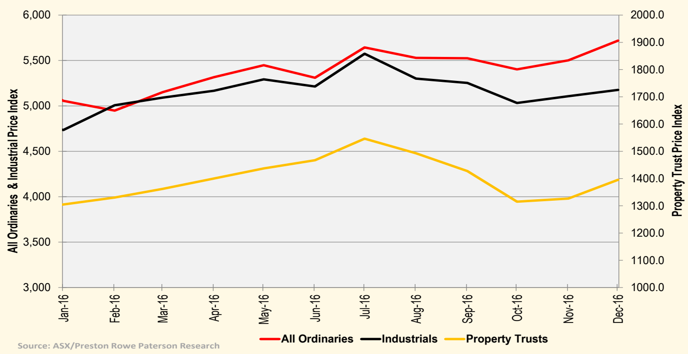

Chart 16— Australian Share Price Indices in 2016— Source: ASX

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Economic Growth

Gross Domestic Product

Through the September quarter*, seasonally adjusted GDP declined by 0.5%, a figure that is well below what many economists have forecasted prior. This is the first quarterly contraction in twenty-one consecutive quarter (the last contraction was in March 2001, during which the economy shrunk by 0.2%). Following this contraction, yearly growth was dragged to a below expectation figure of 1.8%.

The September quarter also brought through a decline of 1.4% in dwelling investment, of which the fall was mainly influenced by New and Used Dwelling (-1.6%) and Alterations and additions (-1.0%). The ABS reported that poor weather partly influenced the decline. Nevertheless, annual growth stood at 7.2% and Private sector residential building approvals up 9.4% from September quarter 2015 ($20.4billion in original current price term for this quarter). Mining Investment fell 10.6% for the quarter, marking the twelve consecutive quarterly declines in Australia. Non-mining investment increased by 4.8%, which has been contributing to the positive increase set since the March quarter of 2014. As noted by the ABS, Mining investment contributed 9.4% to GDP during its peak in December of 2012, and now has fallen to 3.4%. Non-mining investment contribution in December 2012 was 7.5%,

When we look at expenditure measures, Household final consumption expenditure increased by 0.4% (Seasonally adjusted terms) over the quarter, and 2.5% over the year. The ABS reported that this rise is attributed to an increase in spending in Hotels, cafes and restaurants (2.2%) and Insurance and other financial services (1.3%). Over the period, Gross fixed capital formation declined by 2.7%, Exports of goods and services increased by 0.3%, and Imports increased by 1.3% (all in seasonally adjusted terms).

Production measures for the September quarter indicate that Agriculture, forestry and fishing increased by 7.5%, in which it was driven by rises in grains, cotton and livestock production. As stated before, Mining production fell 0.8%, Construction declined by 3.6% as observed through declines in private and public investments, Retail trade declined by 0.8%, Information media and telecommunications increased by 1.6% and Rental, hiring and real estate services declined by 2.4%.

* GDP figures for the December quarter is not released until 1st March and hence September's figures are used for analysis.

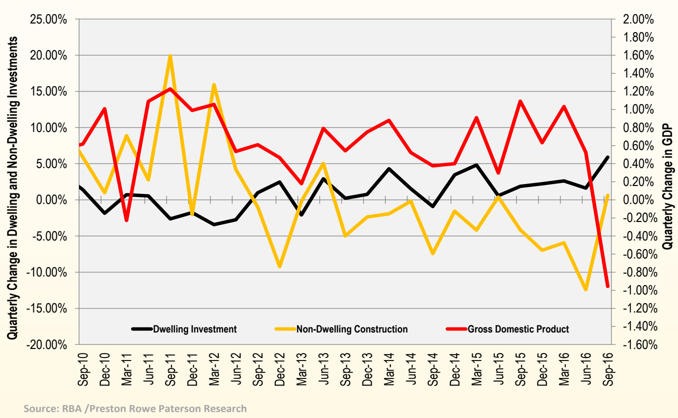

Chart 17— Percentage Change in Dwelling, Non-Dwelling Investments and GDP— Source: ABS

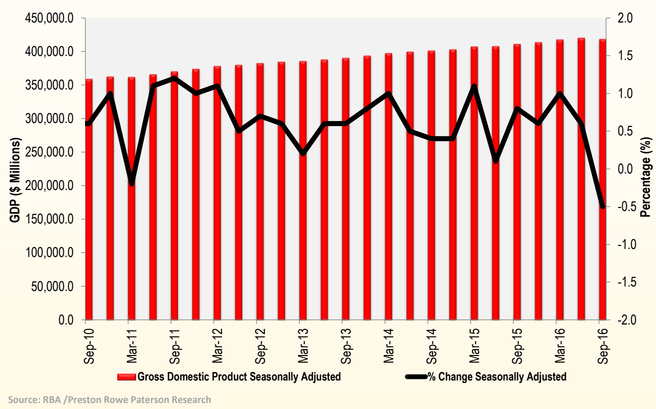

Chart 18— Seasonally Adjusted GDP and Seasonally Adjusted Change in GDP— Source: ABS

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Labour Force

Unemployment

Australia's unemployment rate in December increased by 0.1% to 5.8%, with the rise influenced by the participation rate increasing to 64.7%. There was a 13,500 increase in seasonally adjusted employment over the month to December 2016, with full-time employment increasing by 9,300 persons and part-time employment increasing by 4,200 persons. Nation-wide analysis sees the largest increase in employment in Victoria, which was up 13,600 persons, and the largest slump deriving from the state of Queensland, which was down 13,700 jobs over the month. Western Australia was the other state to experience a decrease in employment in December, down by 7,900 persons. Unemployment increased the most in New South Wales (up 0.3%) and Queensland (up 0.2%). Western Australia and South Australia experienced a decrease in unemployment rate, of 0.3% and 0.2% respectively.

Notably, most of the growth in employment over 2016 is attributed to a rise in part-time employment, with an increased in the number of people in the labour wanting to work more hours. The RBA highlighted the issue of labour underutilisation, of which measures include the additional hours desired by those who are underemployed and the number of hours sought by the unemployed, and have concluded that these measures 'declined to a similar extent as the unemployment rate since late 2015' (Source: RBA December Statement on Monetary Policy). Statistics from the ABS indicated that underemployment rate declined by 0.3% over the three months to November to 8.3%. Recent years have captured the increasing trend in Australia's underemployment rate in conjunction with the decreasing trend in the unemployment rate. Furthermore, it is noted that underemployment has been consistently highest in occupations requiring lower skills, and lowest in higher skilled groups. The ten years to November 2016 saw the greatest increase in underemployment in Skill level 5 jobs (i.e. those requiring Certificate I or compulsory secondary education), from 5.1% in November 2006, to 21.2% in November 2016. On the other hand, underemployment rate in Skill level 1 jobs (i.e. those requiring bachelor degree or higher) only increase by 21.5 to 4.6% over the same period.

Underemployment in females has consistently been higher than that of males, accounting for 56.9% over all underemployed persons in November 2016. Furthermore, the 15-24 year age group remain the age group with the highest underemployment rate, at 17.4% in November 2016. The ABS did note that underemployment rate in 45-54 year olds and 55+ year olds have been trending upwards, even if the two groups account for 40% of total employment. Between February 2-16 and November 2016, unemployment in 45+ year old increased by 22,000 persons, whilst unemployment in 15-24 year olds remained stable.

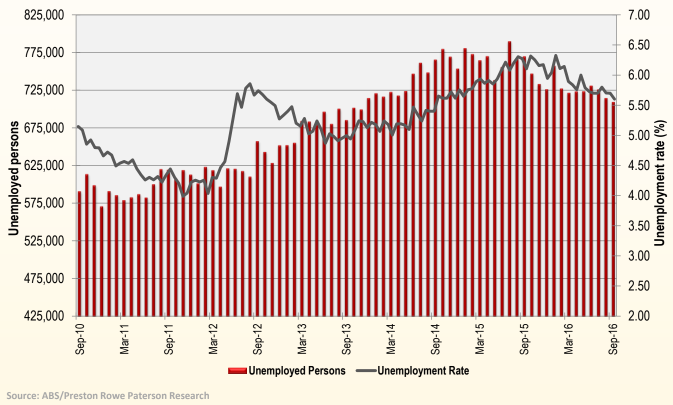

Chart 19— Unemployment Persons and Unemployment Rate, September 2010 to September 2016 — Source: ABS

	Unemployment Rate (%)			Participation Rate (%)		
	November	December		November	December	
Australia	5.7	5.8	▲	64.6	64.7	▲
New South Wales	4.9	5.2	▲	63.4	63.5	▲
Victoria	6.0	6.0	—	65.7	65.9	▲
Queensland	6.0	6.2	▲	64.4	64.1	▼
South Australia	7.0	6.8	▼	62.3	62.1	▼
Western Australia	6.9	6.6	▼	67.9	67.3	▼
Tasmania	6.3	6.4	▲	59.8	59.8	—
Northern Territory*	3.6	3.6	—	75.9	77.3	▼
Australian Capital Territory*	3.7	3.7	—	70.4	70.5	▲

Table 2— Unemployment Rate and Participation Rate, November vs. December 2016 — Source: ABS
* Trend figures used for NT and ACT as seasonally adjusted data both either are not publicly available

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Balance of Payments

Wage Price Index

Over the September quarter*, Wage Price Index increased in both Private and Public sectors, by 0.4% and 0.6% respectively. On a year-on-year basis, the Private sector increased 1.9%, whilst the Public sector index performed slightly better with 2.3% rise. Overall, All sectors increase 0.4% over the quarter, which contributed to a growth of 1.9% over the year, a historical low which remain lower than implied by the historical correlation with the unemployment rate. Interestingly, the ABS have noted that underemployment and unemployment can directly affect wages as they create a 'reserve army of labour', or those desperate to be in the labour force who are willing to accept lower wages. Ultimately, the existence of skilled people without or enough work have affected existing employee's incentives to moderate their pay demands

the prospect of being replaced and subsequently unable to find another position. It is noted that overall reduction in the size of pay rises has contributed to two-thirds to the overall decline in wage growth. The Mining industry and those exposed to mining (i.e. Construction industry, Scientific and technical services industry) have experienced the steepest decline in share of 'larger than 4%' pay rises, followed by the Financial & insurance industry, Rent, hire & R/E services industry and Administrative & support services industry. Ultimately, data have concluded that the proportion of jobs that experienced increase in wages larger than 4% have dramatically decreased since 2012 and this is closely correlated with both a decline in the frequency of wage rises and the average size of these rises.

* December quarter figures are currently not available and hence the September quarter's figures will be used for analysis.

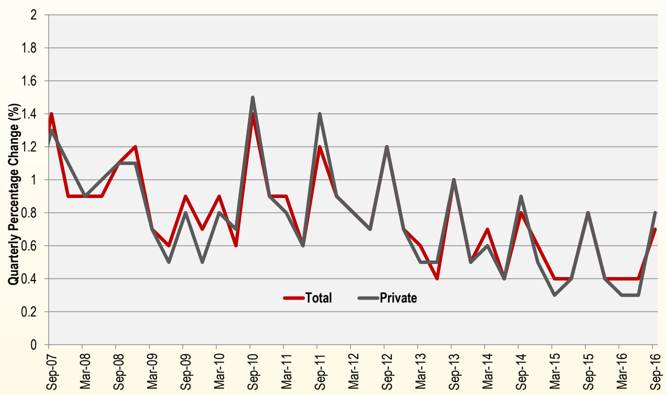

Chart 20— Wage Price Index from September 2007 to September 2016— Source: ABS

Current Account Balance

Australia's current account deficit experienced decline of $4,585 million, or 28.8%, over the September quarter to bring the deficit down to $11,358 million. This was catered by a 4% increase ($2,860 million) in exports of goods and services, with import increasing by $162 million. The Primary income deficit declined by 24%, or $1,946 million. The increase in iron ore and coal prices have helped to reduce the current account deficit through the September quarter, though in volume terms, imports still grew faster than exports and hence international trade detracted 0.2% from September's GDP.

We note that Australia's terms of trade, the value of export prices relative to the value of import prices, increased 4.5% over the September quarter, Australia's first consecutive quarterly increase in six years. This again, has been the result of a rise in commodity prices, as iron ore prices increased from February's decade-long record low of $US38/tonne to two-year high of $82.80/tonne in December. The Federal Government's Mid-Year Economic and Fiscal Outlook (released December 2016) noted that the inconsistent movements in iron ore prices cannot be sustained due to the ambiguity around the drivers of the price movements, with the MYEFO forecasting prices to decline to $US68/tonne through March-June 2017, and $US55/tonne for September quarter 2017. In line with these forecasts, the terms of trade have been forecasted to increase by 14% through 2016-17, with a subsequent decrease by 3.75% in 2017-18 with predictions that commodity prices will lose their gains over the period.

	Balance on Current Account	Balance on Goods & Services	Net Primary Income
June Quarter 2016	-$15,934m	-$7,381m	-$8,211m
September Quarter 2016	-$11,358m	-$4,682m	-$6,265m
% Change over the Quarter	29%	37%	24%

Table 4 — Balance on Current Account, Balance on Goods & Services and Net Primary Income, Seasonally Adjusted, ($m– millions) — Source: ABS

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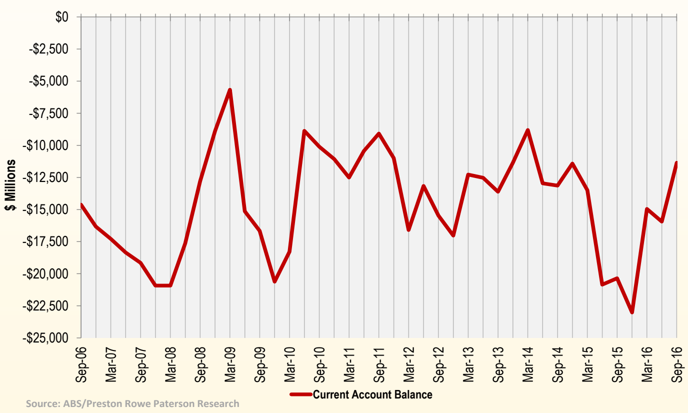

Chart 21— Current Account Balance, September 2006 to September 2016— Source: ABS

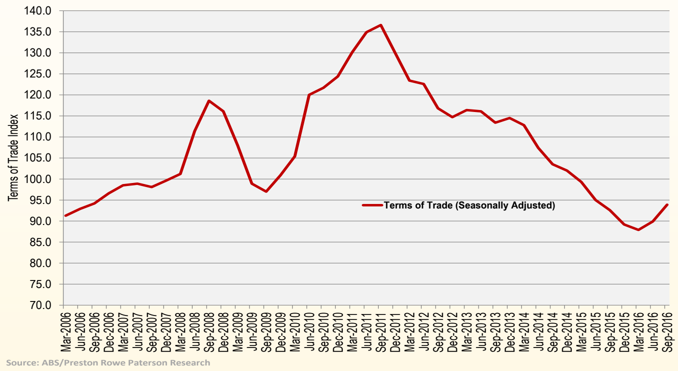

Chart 22— Terms of Trade, Seasonally Adjusted — Source: ABS

International Investment Position

Over the three months to September, total Net Foreign Debt (NFD) increased by $4,016 million to a new figure of around $1,049 billion. This was mainly influenced by a rise in Official Net Foreign Debt, which increased by $9,475 million to $19,613 billion, with Non-official Net Foreign Debt declining by $5,459 million to $8,524 million over the same period. Net Equity Liabilities declined by 39.4% over the period, from June quarter's -$8,647 million to September's -$5,242 million. When combined, this brings the total international investment liability to approximately $1,043 billion- a 0.7% increase from the previous quarter and 12.9% increase from the previous year.

Australia still currently sits on an AAA-Credit rating, after all three major credit agencies have reiterated that the current budget deficit did not warrant a downgrade at the present time. However, rating agencies have reiterated their pessimism about the government's inability to reduce the budget deficit, which puts the notion of a credit rating downgrade susceptible to being fulfilled if the budget deficit continues to increase at a substantial rate.

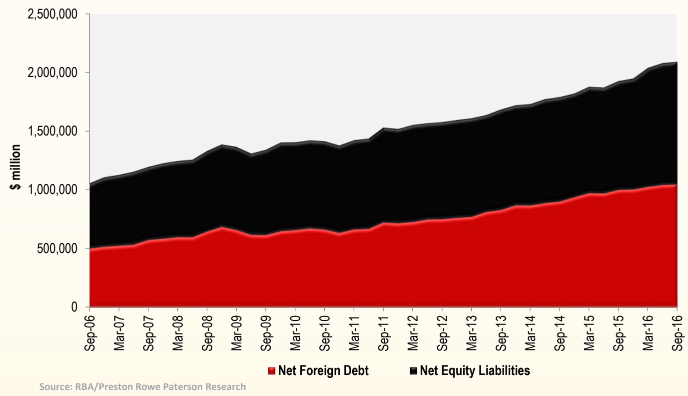

Chart 22— Net Foreign Debt and Net Equity Liability, September 2006 to September 2016— Source: ABS

	Net Foreign Debt ($ billions)			Net Equity Liability ($ billions)		
	June	September		June	September	
Australia	$1,044.505	$1,048.521	▲	$1,035,858	$1,043.279	▲
Change over Quarter	$4.016		▲	$7.421		▲
% Change over Quarter	0.4%		▲	0.7%		▲
% Change over Year	4.6%		▲	12.9%		▲

Table 4 — % Change over Quarter & Year of Net Foreign Debt and Net Equity Liability, June 2016 vs. September 2016 — Source: ABS

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Our Research

At Preston Rowe Paterson, we pride ourselves on the research which we prepare in the market sectors within which we operate. These include Commercial, Retail, Industrial, Hotel & Leisure and Residential property markets as well as infrastructure, capital and plant and machinery markets

We have *property* covered

· Investment
· Development
· Asset
· Corporate Real Estate
· Mortgage
· Government
· Insurance
· Occupancy
· Sustainability
· Research
· Real Estate Investment Valuation
· Real Estate Development Valuation
· Property Consultancy and Advisory
· Transaction Advisory
· Property and Asset Management
· Listed Fund, Property Trust, Super Fund
· and Syndicate Advisors
· Plant & Machinery Valuation
· General and Insurance Valuation
· Economic and Property Market Research

We have all *real estate* types covered

We regularly provide valuation, property and asset management, consultancy and leasing services for all types of real estate including:

· CBD and Metropolitan commercial office buildings
· Retail shopping centres and shops
· Industrial, office/warehouses and factories
· Business parks
· Hotels (accommodation) and resorts
· Hotels (pubs), motels and caravan parks
· Residential development projects
· Residential dwellings (individual houses and apartments/units)
· Rural properties
· Special purpose properties such as: nursing homes; private hospitals, service stations, oil terminals and refineries, theatre complexes; etc.
· Infrastructure including airports and port facilities

We have all types of *plant & machinery* covered

We regularly undertake valuations of all forms of plant, machinery, furniture, fittings and equipment including:

· Mining & earth moving equipment/road plant
· Office fit outs, equipment & furniture
· Agricultural machinery & equipment
· Heavy, light commercial & passenger vehicles
· Industrial manufacturing equipment
· Wineries and processing plants
· Special purpose plant, machinery & equipment
· Extractive industries, land fills and resource based enterprises
· Hotel furniture, fittings & equipment

We have all *client profiles* covered

Preston Rowe Paterson acts for an array of clients with all types of real estate, plant, machinery and equipment interests such as:

· Accountants
· Banks, finance companies and lending institutions
· Commercial and Residential non bank lenders
· Co-operatives
· Developers
· Finance and mortgage brokers
· Hotel owners and operators
· Institutional investors
· Insurance brokers and companies
· Investment advisors
· Lessors and lessees
· Listed and private companies corporations
· Listed Property Trusts
· Local, State and Federal Government Departments and Agencies
· Mining companies
· Mortgage trusts
· Overseas clients
· Private investors
· Property Syndication Managers
· Rural landholders
· Self managed super funds
· Solicitors and barristers
· Sovereign wealth funds
· Stock brokers
· Trustee and Custodial companies

We have all *locations* covered

From our capital city and regional office locations we serve our client's needs throughout Australia. Globally, we operate directly or via our relationship offices or special purpose real estate asset classes, infra-structure and plant & machinery.

We have *your needs* covered

Our clients seek our property (real estate, infrastructure, plant and machinery) services for a multitude of reasons including:

- Acquisitions & Disposals
- Alternative use & highest and best use analysis
- Asset Management
- Asset Valuations for financial reporting to meet ASIC, AASB, IFRS & IVSC guidelines
- Compulsory acquisition and resumption
- Corporate merger & acquisition real estate due diligence
- Due Diligence management for acquisitions and sales
- Facilities management
- Feasibility studies
- Funds management advice & portfolio analysis
- Income and outgoings projections and analysis
- Insurance valuations (replacement & reinstatement costs)
- Leasing vacant space within managed properties
- Listed property trust & investment fund valuations & revaluations
- Litigation support
- Marketing & development strategies
- Mortgage valuations
- Property Management
- Property syndicate valuations and re-valuations
- Rating and taxing objections
- Receivership, Insolvency and liquidation valuations and support/ advice
- Relocation advice, strategies and consultancy
- Rental assessments and determinations
- Sensitivity analysis
- Strategic property planning

About This Report

The Preston Rowe Paterson Economic Report provides an analysis of the Australian Economy based on various economic indicators and information provided in the June 2016 Statistics from the Reserve Bank of Australia. Our report provides a summary of current figures as well as providing historical data to give an indication of movements in the economy over recent years and to determine possible future trends.

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