



**Preston
Rowe
Paterson**

®
National Property Consultants

Property Market Report

New South Wales

About This Report

Preston Rowe Paterson prepare standard research reports covering the main markets within which we operate in each of our capital cities and major regional locations.

The markets covered in this research report include the commercial office market, industrial market, retail market, hotel and leisure market and residential market as well as economic factors impacting on the real estate markets within we operate.

We regularly undertake valuations of commercial, retail, industrial, hotel and leisure, residential and special purpose properties for many varied reasons, as set out later herein. We also provide property management services, asset and facilities management services for commercial, retail, industrial property as well as plant and machinery valuation.

To compile the research report we have considered the most recently available statistics from known sources. Given the manner in which statistics are compiled and published they are usually 3-6 months out of date at the time we analyse them. Where possible we consider short term movement in the statistics by looking at daily published data in the financial press. Where this shows notable fluctuation, when compared to the formal published numbers we have commented accordingly.

September Quarter 2014

INSIDE THIS ISSUE:

Economic Fundamentals	2
Sydney CBD Office Market	4
North Sydney Office Market	6
Crows Nest/St Leonards Office Market	8
Parramatta Office Market	9
Chatswood Office Market	10
North Ryde/Macquarie Park Office Market	11
Retail Market	13
Industrial Market	14
Residential Market	16
Newcastle Residential Market	17
Wollongong Residential Market	17
Hotel & Leisure Market	18
Regional Market	19
About Preston Rowe Paterson	20
Contact Us	22



Phone: +61 2 9292 7400

Fax: +61 2 9292 7404

Address: Level 14, 347 Kent Street Sydney NSW 2000

Email: research@prpsydney.com.au

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Economic Fundamentals

GDP

GDP figures for the September quarter are not available until the 3rd December 2014 however Preston Rowe Paterson Research over the June 2014 quarter revealed that the Australian economy recorded growth of 0.7% seasonally adjusted which reflected growth of 3.2% seasonally adjusted over the twelve months to June 2013.

In seasonally adjusted terms, the main industry gross value added contributors to GDP were Manufacturing which increased by 2.1%, Construction which increased by 1.4% and Accommodation and food services up by 4.5%.

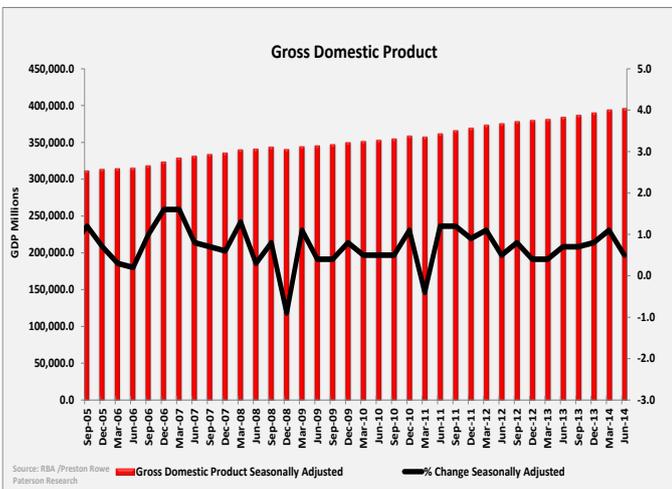


Chart 1 – Gross Domestic Product (GDP) – Source ABS

Labour force

Over the month to September 2014, the number of unemployed people increased by 11,027 from 735,530 in August to 746,557 in September which is a 1.50% increase. In comparison to September 2013, the number of unemployed people has increased by 52,306 which reflected a percentage increase of 7.53%. The unemployment rate is 6.1%.

The number of employment over the month to September 2014 recorded a decrease of 29,700 persons from 11,622,200 in August to 11,592,500 in September. In comparison to September 2013, employment in Australia recorded growth of 126,130 reflecting a percentage increase of 1.1%.

New South Wales experienced a large absolute decrease in seasonally adjusted employment by 4,100 persons. The unemployment status in New South Wales over the September Quarter increase by 0.1% to 5.8%.

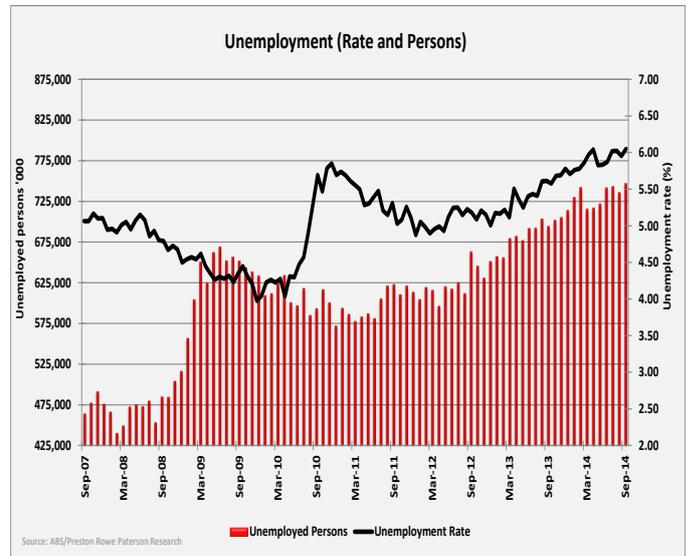


Chart 2 – Unemployment – Source ABS

Interest Rates

As at the date of publishing, the official Cash Rate over the September quarter 2014 remained unchanged at 2.50%. The Reserve Bank of Australia's Media Release for October 2014, released 7th October 2014 explained that;

"In Australia, most data are consistent with moderate growth in the economy. Resources sector investment spending is starting to decline significantly, while some other areas of private demand are seeing expansion, at varying rates. Public spending is scheduled to be subdued. Overall, the Bank still expects growth to be a little below trend for the next several quarters."

The media release also stated that inflation is expected to be consistent with its 2%-3% target over the next two years.

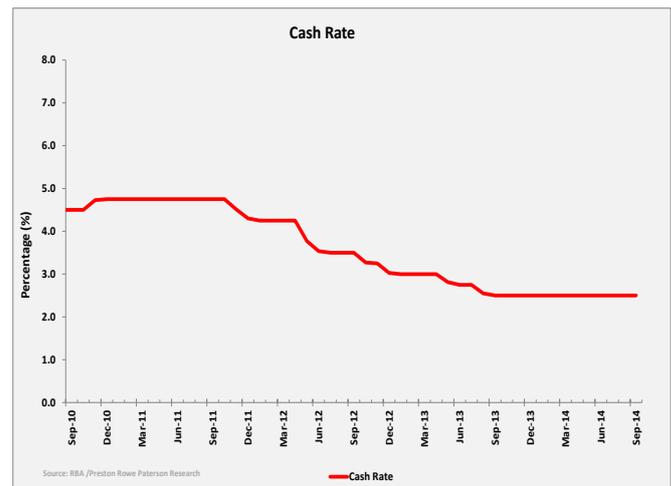


Chart 3 – Cash Rate – Source RBA

CPI

According to the Australian Bureau of Statistics (September 2014), the Australia's All Groups CPI increased by 0.5% over the September quarter from 105.9 to 106.4. The annual CPI change to September 2014 recorded a growth of 2.3%.

The most significant price rises over the September quarter were for fruit (+14.7%), property rates and changes (6.3%). The greatest price fall over the September quarter was attributed to electricity (-5.1%) and automotive fuel (-2.5%).

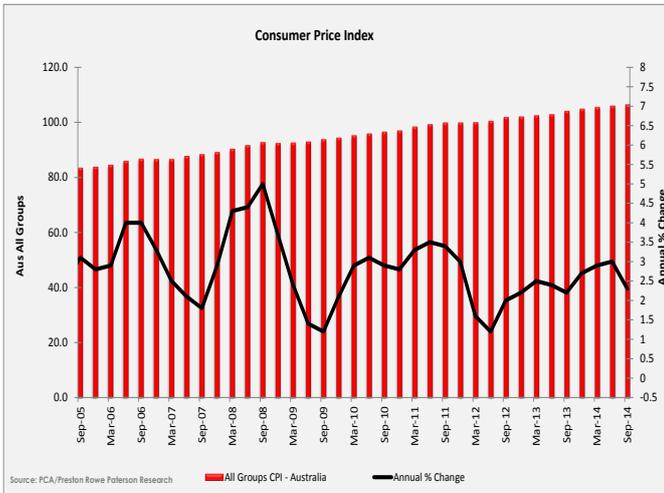


Chart 4- Consumer Price Index—Source—ABS

Consumer Sentiment

The Westpac Melbourne Institute of Consumer Sentiment Index fell by 4.6% in September from 98.5 index points in August to 94 index points in September. Over the quarter the index has increased by 0.8 points. Over the twelve months to September the index declined by 16.6 index points, reflecting a decline of 15.01%.

The Index has fell below the June quarter's recovery and is expected to continue to do so. Westpac's Chief Economist, Bill Evans stated; "This is a surprising and disappointing result...From June to August the Index had lifted by 5.9% to find it only 1.3% below the pre-Budget level. The Index is now 5.8% below the pre-budget level and only 1.1% above the post-Budget print".

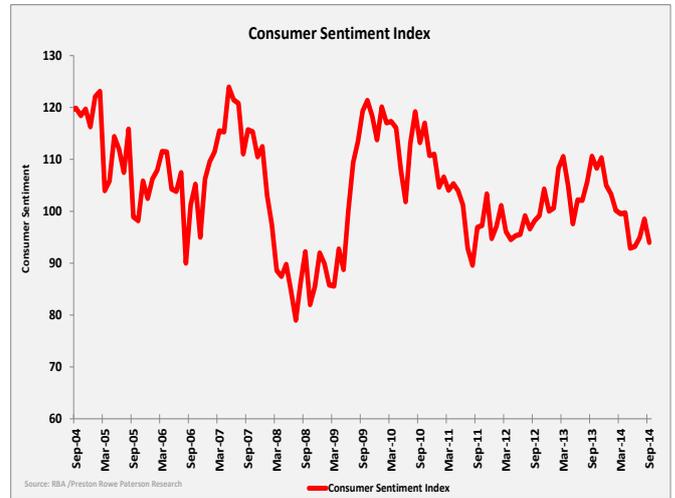


Chart 5- Consumer Sentiment Index – Source - Westpac—Melbourne Institute Survey

Commercial Office Market

Sydney CBD



Investment Activity

Preston Rowe Paterson Research recorded major many sales transactions that occurred during the three months to September 2014;

201 Kent Street, Sydney NSW 2000

Investa Commercial Property Fund had exercised its pre-emptive right over the **Maritime Trade Tower** for **\$173 million**. The fund now has 100% ownership of the lessee's interest in the property. The office tower comprises of office and retail space which includes the 35 level Aon Tower and the heritage-listed Grafton Bond building and 264 car spaces. 30% of the tenancies will expire after 15 months and the overall average lease expiry is 4.3 years. Key tenants are Aon and Austrade.

8 Windmill Street, Millers Point NSW 2000

Property investor Mark Henderson has bought the waterfront offices at Sydney's Walsh Bay, next to the new Headland Park, for **\$28 million**. The passing yield was approximately 7.5%. The building has a net lettable area of 3,820 sqm.

50 Carrington Street, Sydney NSW 2000

DEXUS Property Group had sold 50 Carrington Street office tower to Canadian development giant Brookfield Office Properties for **\$88 million**. The 15 storey building has a net lettable area of 10,885 sqm with 95% leased out and has a 4.5 years WALE. The planned purchase was for the future development of Brookfield's \$1 billion office development at One Carrington Street, stretching across the Menzies Hotel and Thakral House.



85 Harrington Street, Sydney, NSW 2000

Arena Investment Management has sold a boutique office building in the Sydney CBD to a private investor in an off market deal. The property sold for **\$50 million** on an **initial yield of 8.4%** reflecting a rate per m2 of \$6,400. The building is currently 95% leased to QBE Australia and New Zealand, with its lease expiring in January 2017. The Harrington Street leasehold spans over six levels, has 52 car spaces and comprises a total area of 7,800 m2. The B-Grade building has frontage to Gloucester Street and Cumberland Place and is located near the Four Seasons Hotel and landmark buildings such as Grosvenor Place.

31A Pitt Street, Sydney, NSW 2000

Property developer Richard Gu's AXF Group and its joint venture partner Ever Bright Group have purchased The Rugby Club at Sydney's Circular Quay. The consortium paid **\$21 million** for the site, which is one of the last remaining waterside developable blocks in the CBD. The sale of The Rugby Club included the land way known as Rugby Place, which was part of its appeal for the buyer. Circular Quay is located 1.6 km north-east of the CBD.

Leasing Activity

Preston Rowe Paterson Research recorded several notable leasing transactions that occurred in the Sydney CBD office market during the three months to September 2014;

225 George Street, Sydney NSW 2000

Bupa Australia has signed a new 10 year lease to move to AMP's **NAB House**, lease commencing on 1st January 2015. Bupa will lease out 5,400 sqm across 4 levels.

Level 14, 189 Kent Street, Sydney, NSW 2000

Fuel and lubricant services firm Petrofin International will move its headquarters to a larger B-grade office in the Sydney CBD. Petrofin has agreed to a 7 year lease with an initial gross annual rental of \$485 psm.

Tower C, 300 Elizabeth Street, Sydney, NSW 2000

Online Education firm Open Colleges have signed an 8 year lease at **Centennial Plaza** in Sydney's CBD. The company negotiated an 8 year lease for 5,200 sqm over 4 levels. It has been estimated that Open Colleges will pay a gross rent psm in the early to mid-\$600 bracket, excluding any market incentives.



Level 10, 1 Market Street, Sydney, NSW 2000

Law firm Madison Marcus will be moving offices to a 1,087 sqm suite located at Level 10, 1 Market Street, Sydney. The company will pay an annual rent of \$735 psm over a 5 year term for the fully fitted out space.

20 Bridge Street, Sydney NSW 2000

The Australian Securities Exchange has renewed its leased at its landmark building on Bridge Street. The ASX signed on for another 10 years paying approximately \$7 million net annual rent, at \$700 psm over the leased area of approximately 10,000 sqm. The lease deal included a 30% incentive.

Level 20, 680 George Street, Sydney NSW 2000

IT company Freelancer.com has leased 1,800 sqm office area in the **World Square** office tower on a 5.5 year term at \$750 psm, approximately \$1.35 million gross annual rent.

20 Windmill Street, Walsh Bay NSW 2000

Dentsu Aegis Network (Aegis) had lease an additional 1,466 sqm on top of its existing lease of 4,578 sqm and **Bond One** office building. The rents are understood to be between \$580-\$700 psm. Aegis had signed for a 5 year term, and its current lease will expire in March 2015.



Development Sites

The Property Council of Australia's (PCA) Office Market Report July 2014 have recorded a few office developments that are in various stages of the Sydney office pipeline.

190-200 George Street office redevelopment is currently in the site works stage and is anticipated to be completed in 2016 or later. The new office building will provide 38,676 sqm of net lettable area across 35 levels with floor plate sizes of approximately 1,200 sqm. It will also include 476 sqm of retail area and provide 63 car spaces. The building will be the new home of Ernst & Young's Sydney office.



333 George Street office development is currently in the construction phase and is due to be completed in 2016 or later. The development will provide a 12,500 sqm of NLA over 14 office levels and include approximately 2,100 sqm of retail area. The average floor plate size is about 950 sqm and have 20 car spaces.

The DA approved **Central Park** development, owned by Central Park Joint Venture, at Broadway that was scheduled to be completed in the 4th quarter of 2015 has been mooted. If construction is to commence, it would provide 55,000 sqm NLA across 18 office levels and 235 car spaces. There will also be 3,000 sqm of retail area. The average floor plate size is approximately 3,500 sqm.

Supply by Grade (Stock)

Analysis of the PCA's Office Market Report July 2014 had revealed that the 5 Grades of office space has revealed that there was new supply entering the Sydney CBD Office Market over the six months to July 2014.

Premium Grade office stock accounted for 6,000 sqm of withdrawals with no additional supply in the six months to July 2014. Premium Grade space now comprises of 794,963 sqm of the market.

A Grade office stock experienced a supply increase of 15,256 sqm which was weighed against a 14,625 sqm of stock withdrawal. The withdrawals were most likely due to the redevelopment and refurbishments of A Grade properties. The total stock for A Grade office space was 1,813,863 sqm.

B Grade office stock growth was second to the A Grade stocks with 14,174 sqm of additional supply. However, there was a 2,062 sqm space withdrawal in the past 6 months. Total stock for B Grade account for 1,574,731 sqm.

Similar to the premium grade stock, the C Grade office space recorded the a supply withdrawal of 11,825 sqm. As at July 2014 total C Grade stock was recorded at 573,008 sqm. The D Grade office stock experienced a 1,436 sqm decrease in stock supply amounting to 175,623 sqm of total supply.

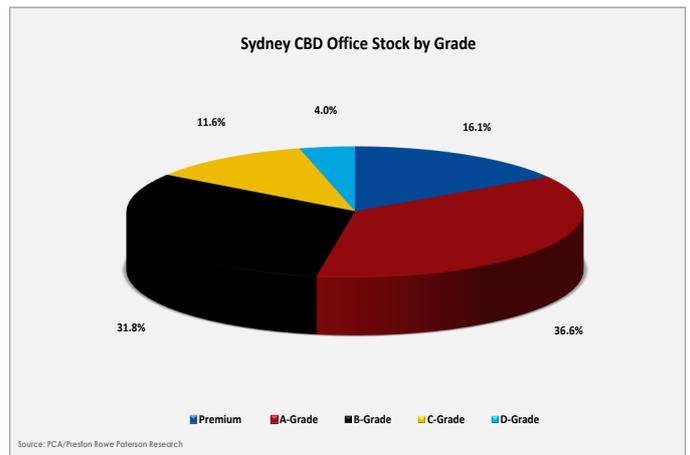


Chart 6- Sydney CBD Office Stock by Grade - Source - PCA

Net Absorption

The entire Sydney CBD office market recorded a net absorption of 57,272 sqm in the twelve months to July 2014. All grades of office space, with the exception of D Grade which fell by 2,419 sqm, recorded an increase in net absorption in the six months to July 2014. B Grade office reflected the highest growth in net absorption at 25,776 sqm, followed by Premium Grade at 16,549 sqm. A Grade and C Grade recorded net absorptions of 13,484 sqm and 3,882 sqm respectively.

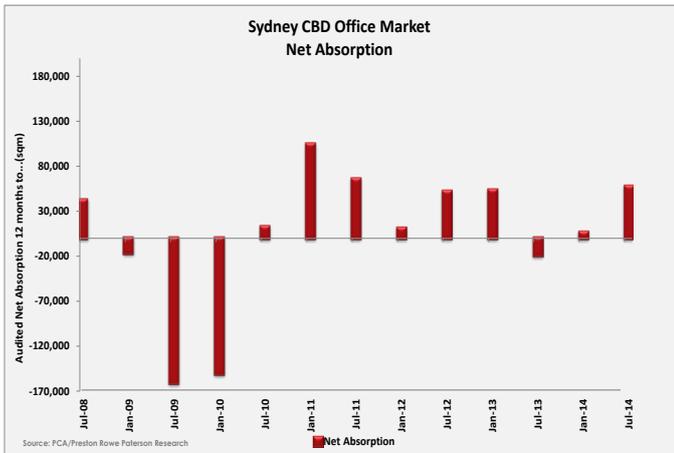


Chart 7 – Sydney CBD Office Net Absorption – Source PCA

Vacancy Rates

The Sydney CBD office market vacancy as a whole had remained steady as at July 2014. In six months to July 2014, total office market vacancy had tightened by 0.6% to 414,359 sqm.

The total direct vacancy level had fallen by 0.3% to 388,963 sqm (7.9%). The sub-lease vacancy accounted for 0.50% of total vacancy amounting to 25,369 sqm. The decrease in both office stocks and vacancy conveys a relatively subdued recovery in the market.

Almost all grades of office stock recorded a decrease in vacancy except for D Grade. The Premium Grade stock experienced the largest fall in total vacancy of 1.6% to 65,311 sqm. Followed by both B and C Grade stock vacancy declining by 0.7% to 119,994 sqm and 40,705 sqm respectively. A Grade recorded a marginal tightening of 0.2% to the total vacancy at 172,808 sqm.

D Grade recorded 1.3% increase in office vacancy amounting to 15,541 sqm.

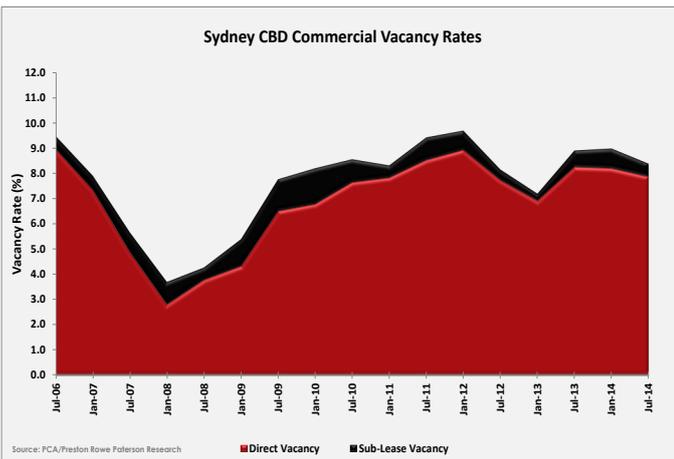


Chart 8 – Sydney CBD Office Vacancy – Source PCA

North Sydney



Investment Activity

Preston Rowe Paterson Research recorded few major sales transactions that occurred during the three months to September 2014;

28-23 Myrtle Street, North Sydney NSW 2061

Owners Corporation Ltd had sold the three storey office building to a private investor for **\$5 million**, reflecting a rate of \$4,136 psqm. The 1,209 sqm office building is located close to the Mater North Sydney Hospital, public transport and the Australian Catholic University.



Leasing Activity

Preston Rowe Paterson Research recorded several notable leasing transactions that occurred in the North Sydney office market during the three months to September 2014;

73 Miller Street, North Sydney, NSW 2060

Online deals group LivingSocial will expand and move to Investa property Group's A-grade tower from Pitt Street in the Sydney CBD. The group will lease an entire floor of 11,380 sqm at the North Sydney building on a gross rent of approximately **\$500-\$600 per m2** under a medium term lease for several years. North Sydney is 5.4 km north of Sydney's CBD.



Development Sites



The Property Council of Australia's (PCA) Office Market Report July 2014 has noted that **100 Mount Street** development has obtained DA Approval and is planned to be completed in 2016 or later. The development will provide 40,100 sqm of NLA over 32 office levels. The average floor plate size is about 1,250 sqm and have 113 car spaces. The development is located in the heart of the North Sydney CBD, within close proximity to the Greenwood Plaza and North Sydney train station.

Supply by Grade (Stock)

As shown in the PCA's Office Market Report July 2014, the total North Sydney office stock experienced a decline to 839,507 sqm as at July 2014. In the past 6 months there were only 2,472 sqm of additional supply offset by the 11,570 sqm withdrawals. The lack of new developments and office-residential conversions may have contributed to the limited new supply of office space.

Premium Grade (36,500 sqm), A Grade (186,296 sqm) and B Grade (431,216 sqm) office space did not record any new supply or withdrawals over the six months to July 2014.

However, the C Grade and D Grade stock had decreased to 167,871 sqm and 15,152 sqm respectively.

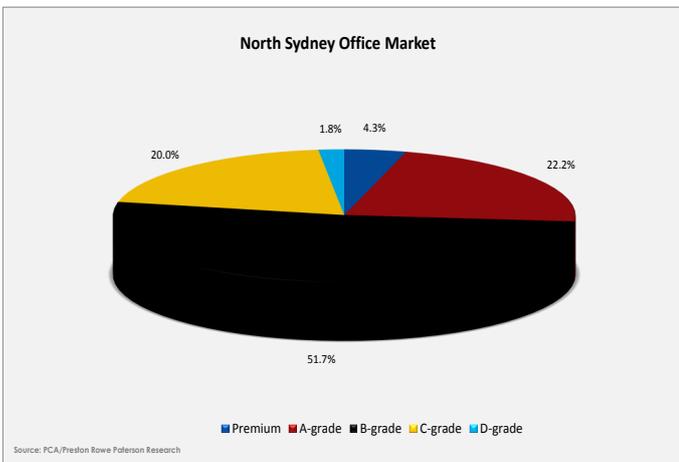


Chart 9 – North Sydney Office Stock Levels by Grade – Source PCA

Net Absorption

The total North Sydney office market recorded a negative absorption of 17,653 sqm in 12 months to July 2014, however there was positive net absorption of 8,606 sqm in the 6 months to July 2014. Premium Grade, A Grade and B Grade office saw a positive net absorption of 591sqm, 288 sqm and 2,029 sqm respectively in 6 months to July 2014. D Grade stock experienced the largest negative absorption at -5,141 sqm followed by C Grade stock at -3,532 sqm.

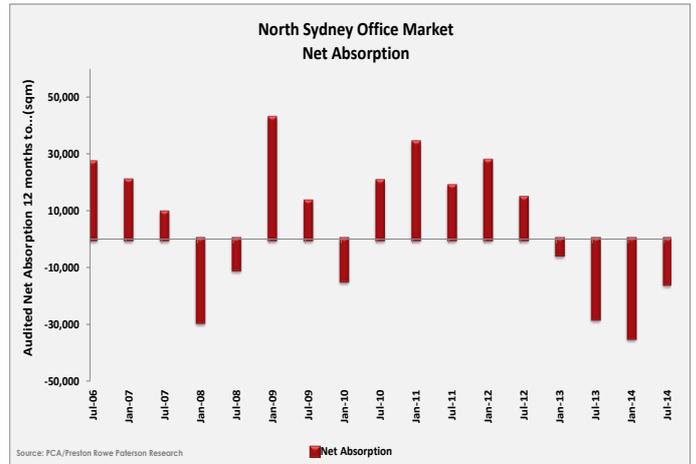


Chart 10 – North Sydney Office Net Absorption – Source PCA

Vacancy Rates

In the past six months the North Sydney office market vacancy has remained relatively stable as at July 2014 with a slight decrease in total vacancy to 10.2%. The direct vacancy accounted to 8.6% and the sub-leasing vacancy at 1.6%. The majority of increase in vacancy rates were sub-lease vacancies, whereas direct lease vacancy had fallen by 0.4%. A year on year analysis have shown that the total vacancy have decreased by 3,333 sqm to 85,604 sqm.

Over the six months to July 2014, there has been no vacancy recorded for Premium Grade office stock. A Grade, C Grade and D Grade office stock vacancy levels had tightened to 5.6%, 14.3% and 5.8% respectively. B Grade stock recorded a marginal rise of 0.1% to 11.6% in total vacancy.

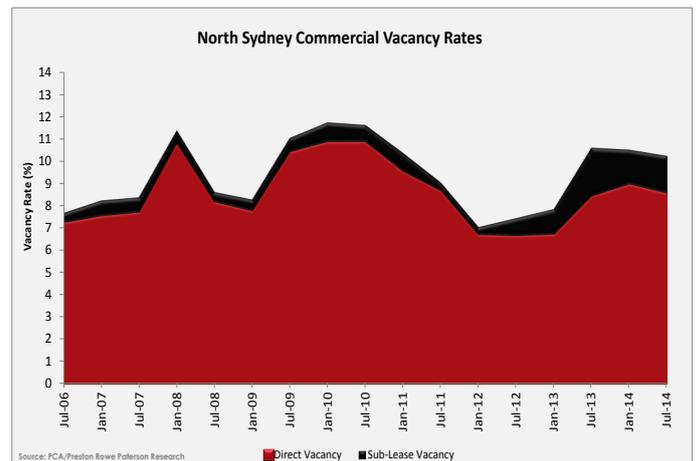


Chart 11 – North Sydney Office Vacancy Rates – Source PCA

Crows Nest/St Leonards



Investment Activity

Preston Rowe Paterson Research recorded few major transactions that occurred during the three months to June 2014.



34-36 Chandos Street, St Leonards NSW 2065

Sandhurst Trustees Limited had sold the three level office building to 34-36 Chandos Street St Leonards Pty Ltd for **\$10.85 million**. The entire 2,079 sqm office building and 49 car spaces are leased to Apsen Pharmicare Australia Pty Ltd on a 5+5 year lease

on a net annual rent of approximately **\$1.005 million**.

Supply by Grade (Stock)

The PCA's Office Market Report July 2014 detailed that in the six months to July 2014 the Crows Nest/St Leonards Office market recorded a decrease of 2,028 sqm to 355,305 sqm which was reflected in the stock withdrawals as there were no additional supply. It was the C Grade stock that recorded the only withdrawal in Crows Nest/St Leonards office market, at 169,672 sqm as at July 2014.

Crows Nest/ St Leonards A Grade, B Grade and D Grade stock experienced neither new supply nor withdrawals. A Grade and B Grade stock totalled 102,699 sqm and 69,288 sqm respectively. D Grade stock only assumes 3.8% of total stock at 13,646 sqm.

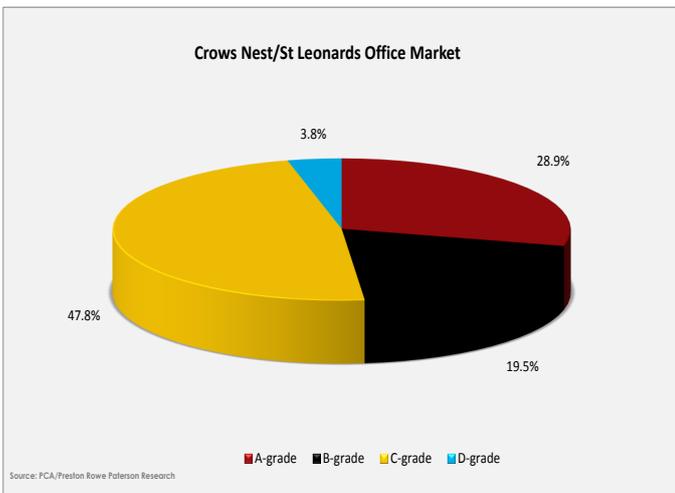


Chart 12 – Crows Nest/St Leonards Office Stock Level by Grade – Source PCA

Net Absorption

The Crows Nest/St Leonards market for the six months to July 2014 recorded 3,027 sqm of total market net absorption. Compared to the January 2014 results, the market had absorbed 13,463 sqm in 6 months. However, net absorption over the 12 month period prior to July 2014 revealed a negative figure of -4,378 sqm.

Positive net absorption was experienced in the A Grade, B Grade and C Grade markets, with absorption of 815 sqm, 10 sqm and 2,402 sqm respectively. Negative net absorption was reported D Grade market with a net absorption of -200 sqm.

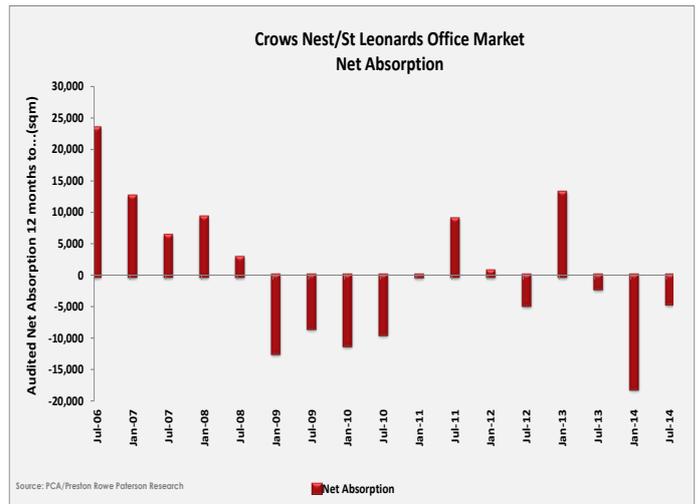


Chart 13 – Crows Nest/St Leonards Office Net Absorption – Source PCA

Total Vacancy

Total office market vacancy rate in Crows Nest/St Leonards had decreased over the six months to July 2014 by 1.3% to 12.9%. Direct vacancy assumed 12.7% and sub-lease vacancy was 0.2%. The total vacancy space amounts to 45,865 sqm.

Varied results were recorded across the four grades of office space, with A Grade and C Grade decreased by 0.8% and 2.4% respectively to total vacancy levels of 15.8% and 13%. B Grade stock's total vacancy remained stable at 8% and D Grade recorded growth of 1.5% to total vacancy rate of 14.4% in the 6 months to July 2014.

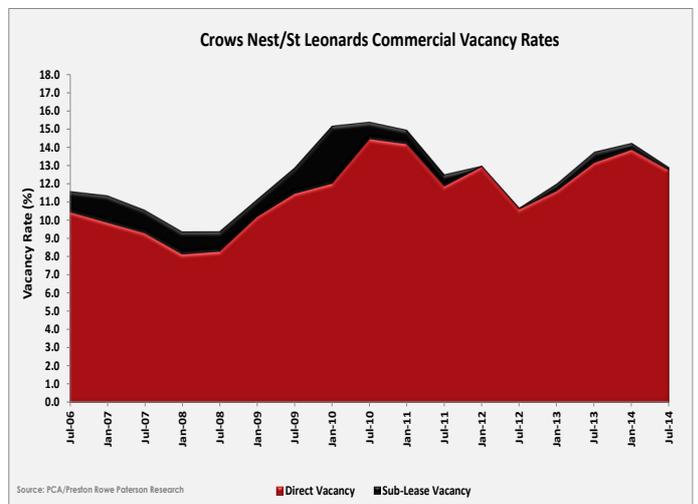


Chart 14 – Crows Nest/St Leonards Office Vacancy Rates – Source PCA

Parramatta



Investment Activity

Preston Rowe Paterson Research recorded few major transactions that occurred during the three months to September 2014.

1-3 Fitzwilliam Street, Parramatta NSW 2150

Singapore's Raffles Education Corporation's Raffles Assets Australia has purchased the **Enterprise House** for \$29 million. The six storey building was sold vacant but sits on a prime site opposite the Parramatta train station and Westfield shopping centre. There are plans for redevelopment as a permanent campus for the Raffles College of Design and Commerce. The building has a net lettable area of 9,782 sqm on a 2,049 sqm site.

1 Wentworth Street, Parramatta NSW 2150

Yalanga Investments has purchased the six storey office building for **\$13.9 million**. The net lettable area is about 4,408 sqm and provides 46 car spaces. The property is 99.5% leased to various tenants with a 2.73 years WALE.



Leasing Activity

Preston Rowe Paterson Research recorded several notable leasing transactions that occurred during the three months to September 2014;

169 Macquarie Street, Parramatta NSW 2150

The University of Western Sydney had signed on for 26,000 sqm of office space at the Parramatta Square development to serve as a city campus. The completion and lease date of the office building will begin after 2016.

89-91 Phillip Street, Parramatta NSW 2150

KPMG had signed for 940sqm of office space and signage rights at 91 Phillip Street. It is understood that the annual rent is approximately **\$423,000 per annum** or \$450 psm.



Development Sites

The PCA Office Market Report July 2014 have reported that the **Parramatta Square (stage 1)** development has obtained DA Approval and is planned be completed in 2016 or later. The development on 169 Macquarie Street will provide 24,500 sqm of NLA over 14 office levels and 800 sqm of retail area. The average floor plate size is about 2,200 sqm and includes 108 car spaces. The Parramatta Square development site will provide commercial and residential space over 6 projects. It is located north to the Sydney Water building and within close proximity to the Parramatta transport interchange and Westfield Parramatta shopping centre.



Supply by Grade (Stock)

The PCA Office Market Report July 2014 recorded that the total office stock in the Parramatta office market recorded a growth of 2,150 sqm to 688,028 sqm over the six months to July 2014. The growth was attributed to the 2,150 sqm supply gain of B Grade office space and no recorded overall stock withdrawals.

A Grade, C Grade and D Grade office stock levels remained unchanged in 6 months to July 2014. A Grade assumed the largest share of stock at 273,617 sqm followed by B Grade space at 212,026 sqm. C Grade and D Grade had similar stock amount at 104,972 sqm and 97,413 sqm respectively.

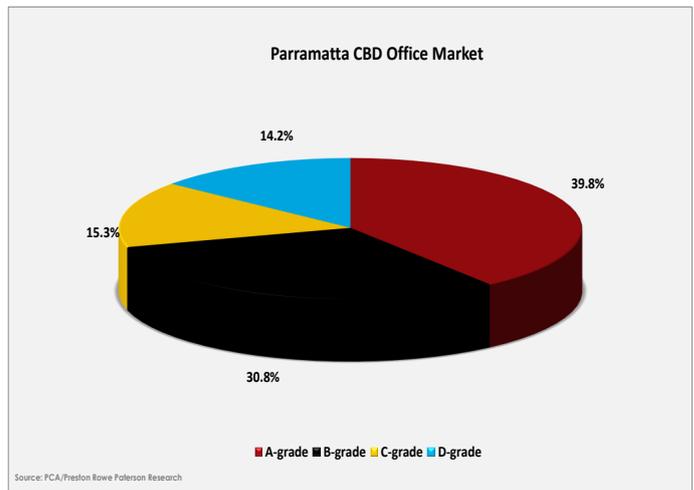


Chart 15 – Parramatta Office Stock Level by Grade – Source PCA

Net Absorption

Total market net absorption in the Parramatta office market was recorded at -278,6 sqm over the six months to July 2014 whereas the 12 months net absorption amounted to 1,737 sqm. In the past 6 months, all grades of stock displayed positive market absorption except for B Grade which recorded -4,344 sqm. This may be due to the increase of B Grade space and a lower intake for the space. A Grade, C Grade and D Grade recorded 775 sqm, 450 sqm and 333 sqm of net absorption respectively.

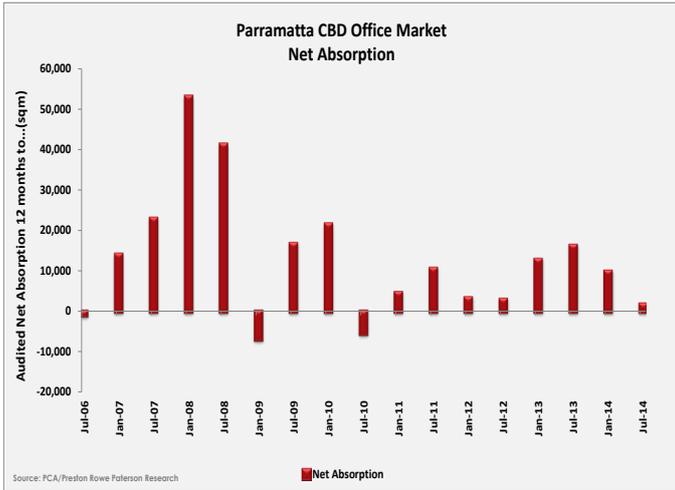


Chart 16 – Parramatta Office Net Absorption – Source PCA

Vacancy Rates

The total vacancy in the Parramatta office market has increased by 0.7% to 6.7% in the past 6 months to July 2014. Total vacancy comprise of 45,313 sqm (6.6%) of direct vacancy and 874 sqm (0.1%) of sub-lease vacancy.

The main contributor to the rise in vacancy is the B Grade stock, a 3% rise to 9.5% in 6 months to July 2014. Other grades of A, C and D grade office stock recorded marginal vacancy rate decreases of 0.3%, 0.4% and 0.3% to 0.2%, 18.3% and 6.3% respectively.

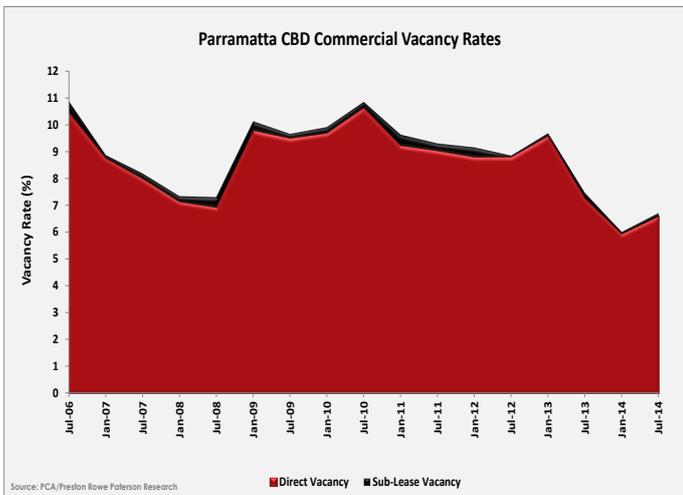


Chart 17 – Parramatta Office Vacancy Rates – Source PCA

Chatswood



Supply by Grade (Stock)

The PCA Office Market Report July 2014 noted that the total office stock in the Chatswood Office Market increased by 4,400 sqm to 285,245 sqm over the six months to July 2014, with the entirety of additional supply attributed to the A Grade stock. A Grade office space continues to maintain a majority share of the Chatswood office market at 161,812 sqm (56.7%).

B Grade, C Grade and D Grade office stock all remained unchanged over the six months to July 2014, with no supply or withdrawals recorded. B Grade of 76,746 sqm followed by C Grade with 46,233 sqm and D Grade with 454 sqm of office stock.

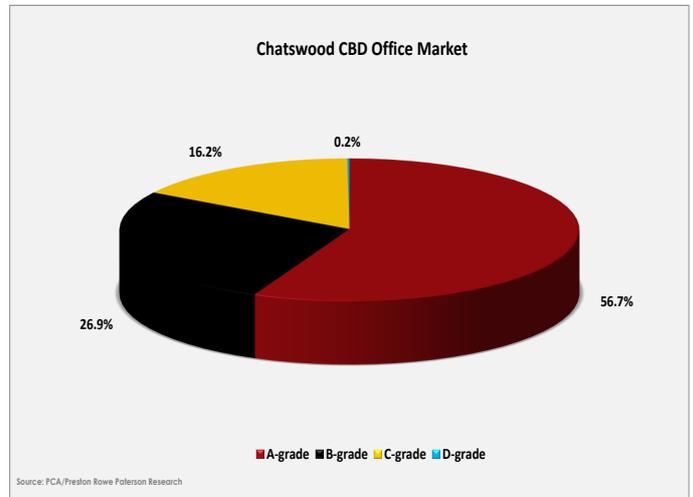


Chart 18 – Chatswood Office Stock Level by Grade – Source PCA

Net Absorption

Market Net Absorption in the Chatswood CBD office market recorded a large uptake of 11,344 sqm in the six months to July 2014. Compared to the January record of -9,007 sqm, this could be a sign of recovery in the Chatswood market. The twelve months absorption rate to July 2014 was 2,337 sqm.

All grades of office stock produced positive market net absorption in the past 6 months. A Grade absorbed the highest amount of floor space at 8,882 sqm, followed by B Grade at 1,868 sqm and C Grade 594 sqm. There has been no stock absorption recorded for D Grade since July 2012.

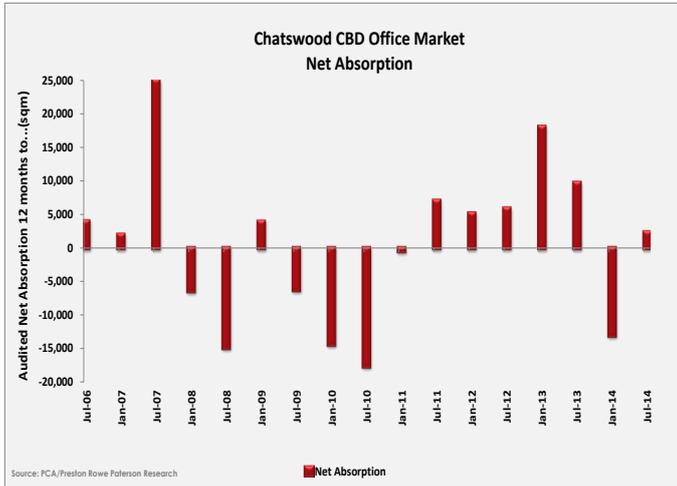


Chart 19 – Chatswood Office Net Absorption – Source PCA

Total Vacancy

The Chatswood CBD office market recorded a tightening of 2.6% to 10.8% in total vacancy in the six months to July 2014 with total vacant space amounting to 30,910 sqm. The decrease in vacancy was attributed to direct vacancy falling to 9.7%.

The overall vacancy rates across all grades of office space in Chatswood had tightened. The largest fall in vacancy was in the A Grade stock. Corresponding with the additional supply and net absorption, the A Grade stock had experienced a 3.2% decrease in direct vacancy. A Grade sublease vacancy was unchanged at 2.1%.

There were no sublease vacancies recorded in B grade and C Grade stock. B Grade direct vacancy rate decreased to 9.3%. Similarly the C Grade direct vacancy fell to 8.1%. D Grade direct and sub-lease vacancy rates remained unchanged over the six months to July recording no vacant stock.

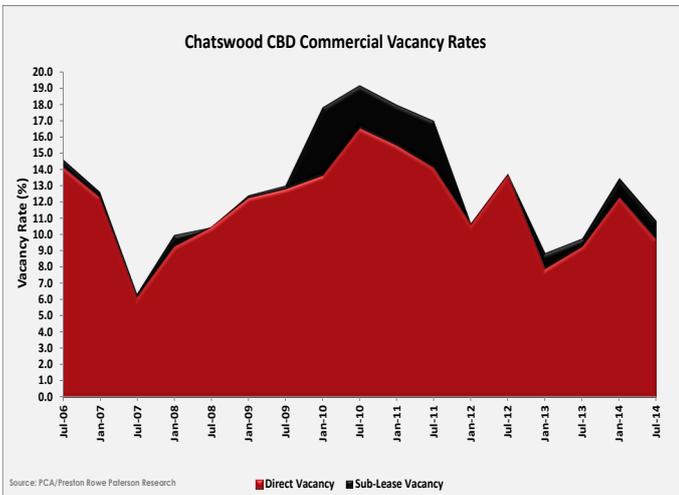


Chart 20 – Chatswood Office Vacancy Rates – Source PCA

North Ryde/Macquarie Park



Investment Activity

Preston Rowe Paterson Research recorded a relatively low number of sales transactions that occurred during the three months to June 2014;

15 Talavera Road, Macquarie Park NSW 2113

Propertylink has bought the office and warehouse building from AMP Capital for **\$34 million**. The property sits on a 15,000 sqm site with 488 car spaces. The building comprises of 11,389 sqm office space and 12,000 sqm of warehousing area fully leased to tenants, including confectionary maker Mars.



11 Julius Avenue, Riverside Corporate Park, North Ryde, NSW 2113

Chinese Property Group Aqualand has made another purchase in Sydney's booming residential development market, picking up the CSIRO complex in North Ryde. The group paid **\$170 million** for the 6.5 ha site. The Shanghai based developer will hold the property, which is currently leased to the CSIRO complex until 2021, as an investment asset and not as an immediate residential development site. The property is located in an area that has seen huge interest from developers looking to take advantage of Sydney's strong housing market, and although it is not currently scheduled for conversion to a residential zone there is definitely potential. North Ryde is located 16.3 km north-west of Sydney's CBD.



Development Sites

The PCA's Office Market Report July 2014 have noted that there is a new development in the North Ryde/Macquarie Park office market located at **52-54 Waterloo Road, North Ryde**.

The development is currently in the site works in phase and is planned to be completed in 2016 or later. The development owned by Novartis Pharmaceuticals Australia will provide 10,000 sqm of NLA. The development site is located within close proximity to both the Macquarie Park and Macquarie University train station, and the Macquarie Centre shopping centre.

Supply by Grade (Stock)

Over the six months to July 2014, the North Ryde/Macquarie Park total office stock level increased by 12,710 sqm to 866,961 sqm. A Grade office space continues to maintain a majority share of the North Ryde office market accounting for 616,1971 sqm and recording an additional supply of 26,476 sqm with no withdrawals. The completed new developments by Goodman Group and Goodman Trust on Talavera Road may have contributed to the North Ryde/Macquarie total office stock supply.

The B Grade office space tightened to 228,026 sqm due to a 20,526 sqm withdrawal which overshadowed a 6,760 sqm additional supply. Both C Grade and D Grade stock recorded no additional supply or withdrawals in the 6 months to July 2014, remaining at 20,017 sqm and 2,721 sqm respectively

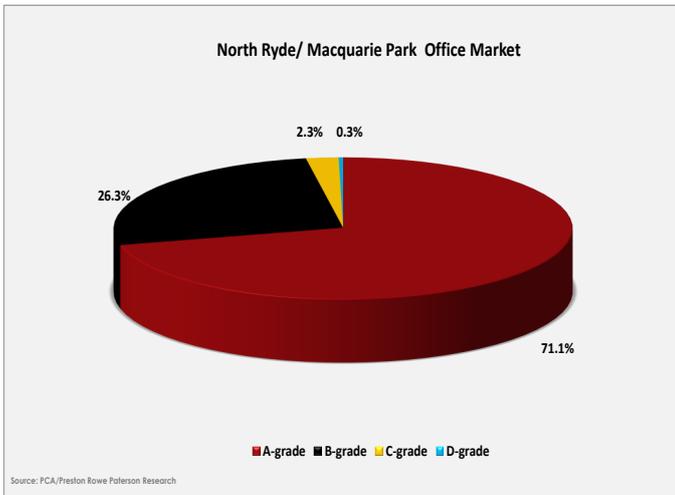


Chart 21 – North Ryde/Macquarie Park Office Stock Level by Grade – Source PCA

Net Absorption

The North Ryde/ Macquarie Park office market reflected –3,683 sqm net absorption in the six months to July 2014. The net absorption over the twelve months to July 2014 was 375 sqm.

D Grade stock remained unchanged with no absorbency. A Grade office stock recorded 17,598 sqm, B Grade recorded –21,087 sqm and C Grade recorded –194 sqm net absorption between January and July 2014.

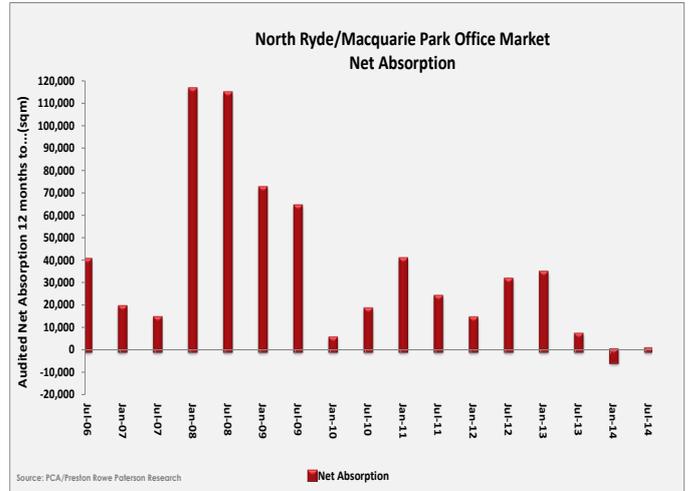


Chart 22 – North Ryde/Macquarie Park Office Net Absorption – Source PCA

Vacancy Rates

The North Ryde/Macquarie Park market recorded an increase in total vacancy in the six months to July 2014 of 11.2%. Direct vacancy and sub-lease vacancy rates increased to 9.2% and 2% respectively. The increase in vacancy reflected an increase of 15,525 sqm to 79,838 sqm in direct vacancy and growth of 868 sqm to 17,499 sqm in sub-lease vacancy.

A Grade direct vacancy increased by 1.1% to 41,136 sqm and sub-lease vacancy is unchanged at 2.5% to 15,701 sqm. B Grade direct vacancy increased the most to 15.2% at 34,692 sqm, and sub-lease vacancy increased to 0.8% to 1,798 sqm. C Grade had no sub-lease vacancy however total vacancy recorded a growth of 0.9% to 20% at 4,010 sqm. D Grade remained unchanged recording no direct or sub-lease vacancy in the six months to July 2014.

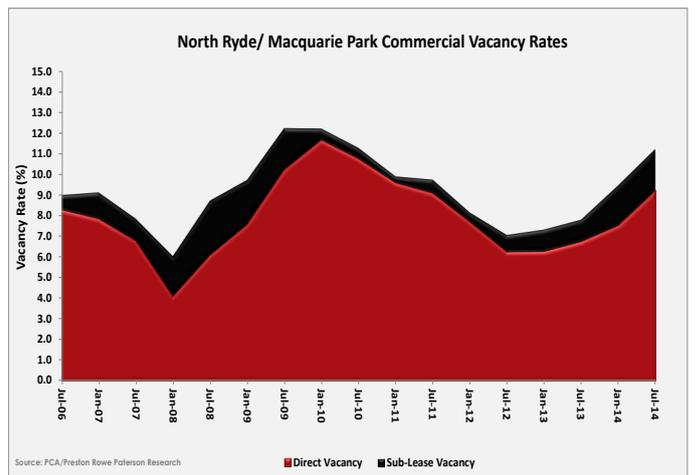


Chart 23 – North Ryde CBD Commercial Vacancy Rates – Source PCA

Retail Market



Investment Activity

Preston Rowe Paterson Research recorded a few significant retail transactions that occurred in the Sydney metropolitan areas during the three months to September 2014;

227 George Street, Windsor NSW 2756

Fort Street Real Estate Capital's Property Opportunities Fund has bought the **Windsor Riverview Shopping Centre** in Sydney's North-west for **\$50 million on a 7.1% yield** from the Walker family. The 7,923 sqm centre is anchored by Coles and has 29 specialty shops and an additional 278 sqm of development site. The retail centre includes 325 undercover car parking spaces.



92 Parramatta Road, Lidcombe NSW 2141

The **Lidcombe Power Centre** was sold via joint venture by APN Property Group and Newmark Capital for **\$52 million**. The bulky goods centre is one of the largest bulky goods centres in Lidcombe stretching over 32,525 sqm of GLA with anchor tenants such as Anaconda and Spotlight. There are plans to redevelop the centre into a sub-regional shopping centre.

447-453 King Georges Road, Beverly Hills NSW 2209

The iconic **Beverly Hills Cinemas** and Subway Restaurant was sold to a private investor for \$6.5 million. The 2,300 sqm building houses 6 cinema rooms. The sale reflects a yield of 9.36%.



36-38 South Steyne, Manly NSW 2095

The **Manly Salt House** was sold to Elmerino Investments Pty Ltd for **\$8.95 million**. The 1,000 sqm, three storey restaurant has currently renewed its lease to a 10 year lease with an annual net rent of approximately \$790,000. The calculated yield of the sale is 8.80%.

Retail Statistics

The September retail turnover results had been surprisingly positive, hinting a recovery in consumer confidence.

According to the Australian Bureau of Statistics category 8501.0 Retail Trade (September 2014), the retail turnover figures recorded in New South Wales produced strong results. The total retail turnover in New South Wales increased by 1.73% over the month of September 2014 at \$7,521.3 million. The seasonally adjusted annual total retail turnover growth to September 2014 was 9.50%.

Over the month of September, nearly all aspects of retail showed positive results except for food retailing which fell by 0.25% to \$2,884.7 million turnover. Household goods retailing and café, restaurants and takeaway food services had realised the highest turnover in September at a growth of 5.14% (\$1287.2 million) and 4.27% (\$1,112 million) respectively.

The other retailing, department stores and clothing, footwear and personal accessory retailing recorded a moderate growth of 1.97%, 0.46% and 0.45% respectively to the monthly turnover of \$1,112.7 million, \$482 million and \$642.6 million.

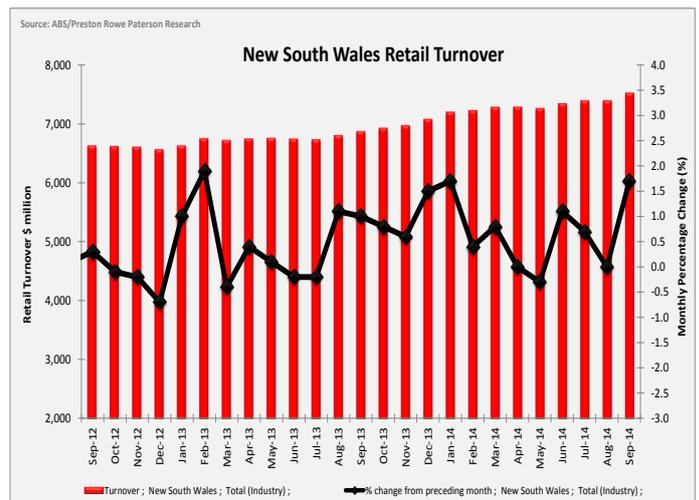


Chart 24 –New South Wales Retail Turnover – Source ABS

A year on year analysis of the all retail categories revealed positive results with the only decline attributed to department stores retailing falling by -4.76%. The strongest growth was recorded in the café, restaurants and takeaway food services (21.13%), household goods retailing (19.84%) and other retailing (11.80%).

As observed in the following graph, the NSW retail turnover is heavily affected by seasonal demands. This is particularly noted in departments store retailers. The year to date outperformer was surprisingly the household goods retailing, followed by other retailing and cafes, restaurants and takeaway food services. This could translate to a stronger market for the small to medium sized retail spaces.

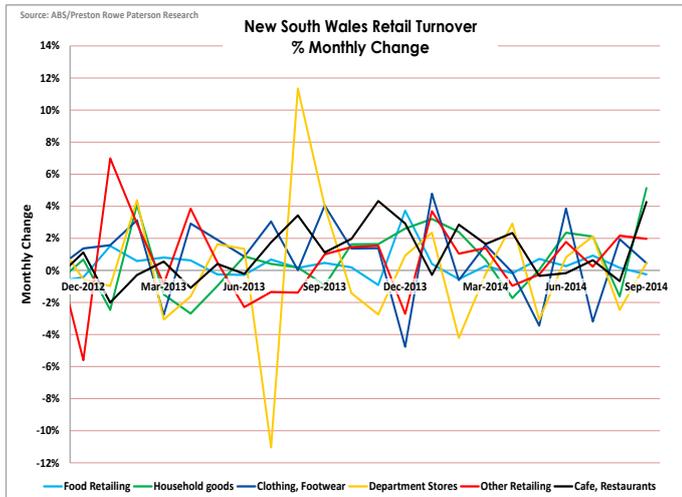


Chart 25 –NSW Turnover % Monthly Change – Source ABS

Industrial Market

Investment Activity

Preston Rowe Paterson Research recorded a number of sales transactions that occurred in the Sydney metropolitan during the three months to Sydney 2014;

2-28 McPherson Street, Banksmeadow NSW 2019

Goodman had acquired a large South Sydney site for **\$33.1 million** from Orica. The property is located opposite Port Botany and has 9.3 hectare of land of which 6.3 hectare can be developed. The property has 24/7 access, multiple access points and is B-double approved for trucks. The site is approved for 6 subdivided super lots for warehouses and office buildings.

55 Marrickville Road, Marrickville NSW 2204

Jetmaster has bought a 1,924 sqm warehouse in Sydney's inner southwest for **\$3.3 million**. The property is a freestanding building with high clearance and is close to the train station.

920 Richmond Road, Marsden Park NSW 2765

Swire Cold Storage had purchased a 7 hectare site in the **Sydney Business Park** for over **\$20 million**. There are plans to build a 32,000 sqm cold storage facility. The business park is located just off the M7 and other sites sold to Masters, Bunnings and IKEA had recorded a site sales value between \$280 - \$320 psm.



21 Lamb Street, Glendenning NSW 2761

The Department of Planning has sold the 10,150 sqm industrial land to a private investor for **\$1.69 million**. The land was sold because it was no longer needed for the M7 Motorway construction. The land is currently vacant and unserviced.

50 Airds Road, Minto, NSW 2566

Property investment and management company Propertylink has purchased an industrial property in Sydney's south west for **\$21.6 million reflecting a yield of 9.5%**. The property is currently leased to three tenants with an overall weighted lease expiry of 3.5 years. Minto is located 55 km south west of Sydney's CBD.

44 & 44A Wharf Road, West Ryde, NSW 2114

Listed residential developer Payce Consolidated and Sekisui House entered into a joint purchase of 2 large industrial sites on for **\$95 million** and **\$23.5 million**. The \$23.5 million 2 ha site which is not zoned residential was sold by an owner occupier reflecting a **rate of \$1,175 psm**. The other was a 14 ha site which sold at a rate of **\$679 psm**. West Ryde is around 16km north-west of the Sydney CBD.

100 Elliott Street, Balmain, NSW 2041

Toga Group has paid **\$58 million** for a waterfront industrial site in Sydney's inner north west. The site measures 12,375 sqm and runs along the banks of the Parramatta River. Toga Group purchased the site with development approval for 121 apartments; this reflects a **rate per proposed apartment of \$479,339** and a rate of **\$4,687 psm**.

35 Bryant Street, Padstow, NSW 2211

Wedding firm, Lincoln Electric Company has sold an older style industrial facility for **\$14 million**. The 61,100 sqm facility was purchased by Nicker Miles Holding and reflects a rate of **\$229.13 psm**. Nicker Miles intends to refurbish the site and put it up for lease. Padstow is located around 22km south-west of Sydney's CBD.

52-74 Quarry Road, Erskine Park, NSW 2759

Australian Industrial REIT is buying an industrial site at Erskine Park in Sydney's west. The trust will pay **\$5.5 million** and then fund \$7.8 million for the development of two warehouses, with a total area of 8,067 sqm. The buildings, which are due for completion later this year, have already been pre-committed on two 7 year terms by Premium Floors and Dutt Transport. The return to the trust will be 7.8%, both on the initial investment and the completed project. The combined total of the sale price and development costs of this western Sydney site displays a **rate per proposed warehouse of \$1,649**. Erskine Park is around 42km west of the Sydney CBD.



67-77 Airds Rod, Minto, NSW

Coatings Manufacturer Impreglon Australia has purchased a vacant industrial facility with manufacturing and warehouse facilities totalling to 5,799 sqm. The 14,600 sqm property was purchased for **\$5.6 million** reflecting a **rate per m2 of \$383.56**. The property also comprises 588 sqm of office space, four driveways, 5m high and 7m wide container roller doors with awnings and a drive through warehouse and an ESFR sprinkler system. Minto is located around 53km south-west of the Sydney CBD.

Leasing Activity

Preston Rowe Paterson Research recorded a relatively low number of leasing transactions that occurred during the three months to September 2014, in the Sydney Industrial Market.

2B Bessemer Street, Blacktown NSW 2148

Air-conditioning supplier **Holyoake Industries** has leased out a 1,937 sqm industrial to a private tenant at a gross annual rent of \$90 psm on a 5 year lease.

Unit 11, 350 Edgar Street, Condell Park NSW 2200

Protector Glass Industries have secured a 1,023 sqm warehouse inside the business estate in Sydney's west. The gross annual rent is \$131.43 psm on a 4 year lease. The property includes a wide roller door, high clearance ceilings and modern amenities.

24 Wendlebury Road, Chipping Norton NSW 2170

Outsourcing service provider **ISS** has leased a warehouse and office property from Frino for \$45 psm. The 4,500 sqm site features a high-clearance warehouse with two loading docks, office building with showroom and onsite parking. The property is located close to the M5 and M7.



2/429-431 Victoria Street, Wetherill Park, NSW 2164

A Noble and Sons, a manufacturer of winches, hoists and other lifting materials has leased a 1,792 sqm warehouse in Wetherill Park in Sydney's west. The company has leased the warehouse for 5 years with a 3 year option to extend paying an annual rent of \$113 psm. Wetherill Park is situated approximately 33 km north west of the CBD.

Unit 7/25 Frenchs Forest Road, Frenchs Forest, NSW 2086

NDC Automation has leased an office and warehouse unit in Sydney from LIF Pty Ltd. The 1,706sqm office and warehouse feature a fitted out office space and a clear span warehouse with dual roller shutters. NDC will pay an annual gross rental of \$379,000 for 5 years, reflecting a rate of approximately \$222 psm. Frenchs Forest is located 18.5 km north east of the CBD.

1/511 Victoria Street, Wetherill Park, NSW 2164

Futsal Institute has secured an industrial facility in Sydney's west. The 3,300 sqm site features concrete panel walls and metal deck roofing as well as a high clearance warehouse. Futsal has committed to a 5 year lease with the option to extend, paying an annual gross rental of \$107 psm. Wetherill Park is situated around 33.5 km north west of Sydney's CBD.

17 Stanton Road, Seven Hills NSW 2147

Security service provider Assa Abloy Entrance Systems Australia had signed a 3 year lease for a 1,805 sqm office-warehouse for \$207,575 per annum. The property is a part of a multi-unit estate and features clear-span, high clearance warehouse and a two level office space at the front of the unit.

2 Davis Road, Wetherill Park, NSW, 2164

Logistics Company Freight Specialists have leased an industrial facility in Sydney's western Suburbs. The 10,274 sqm facility has been leased on a **5 year term** commencing on October 1 2014 with options to extend. The company will pay an annual **gross face rent of \$121.50 psm**. Stockland, the lessor of the vacant property, refurbished the 16,247 sqm site.



It comprises wide driveways and manoeuvring areas, and as part of the deal Stockland agreed to divide the site so that an undeveloped 6,000 sqm section remains at the rear. Wetherill Park is located 34km west of the Sydney CBD.

90 Wetherill Street, Silverwater, NSW 2128

Pet accessories company Kazoo Pet has leased a 2,703 sqm office and warehouse from a private investor. The company have agreed to a net annual rent of around \$300,000, reflecting a **rate per m2 of approximately \$111** for the office and warehouse property. The facility is on a corner block and comprises a high clearance warehouse which has access through two roller doors. Silverwater is around 20km west of the Sydney CBD.

Residential Market

Economic Statistics

According to the Australian Bureau of Statistics category 8731.0 Building Approvals September 2014, the total number of house dwelling approvals in the Sydney Statistical Division over the month has showed an increase from 37 approvals in August to 1,178 approvals in September 2014. This has reflected an increase of 16.17% when compared to house dwelling approvals in September 2013.

The total number of non-house dwelling approvals has decreased by -0.27% from 1,824 dwelling approvals in August to 1,819 dwelling approvals in September. In comparison to twelve months prior to September 2013, a -48.19% decline was recorded. Total dwelling approvals in the year to September 2014 was 26,693.

The dwelling approvals shows that residential development activity in the Sydney market was relatively steady with the exception of non-

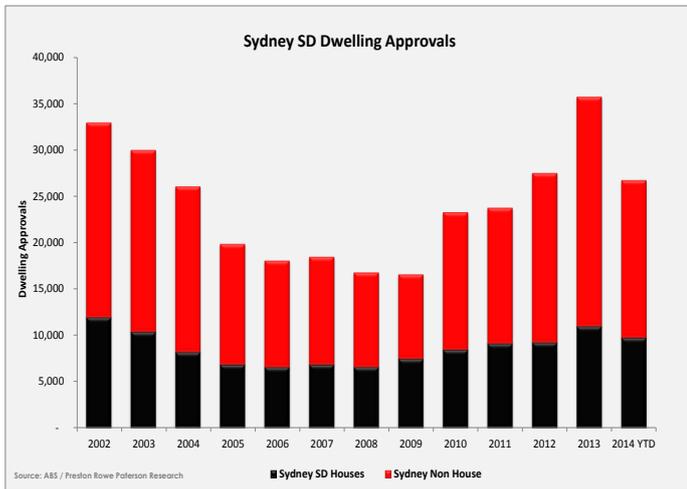


Chart 26 – Sydney SD Dwelling Approvals—Source ABS

SYDNEY

Market Affordability

Market affordability figures for the September quarter 2014 are not available from the Real Estate Institute of Australia (REIA) however PRP Research have used figures from the June 2014 quarter for analysis.

Over the June quarter 2014 according to the REIA the Sydney Median House price increased by 3.1% to \$811,800, and 17% compared to June 2013. The Sydney median house price over the quarter recorded positive results in the zones of Middle and Outer Sydney at 4.6%, 4% whereas Inner Sydney declined by 1.5%, to median sale prices of \$941,000, \$572,000 and \$1,350,000 respectively.

All zones recorded increases in the median house price over the twelve months to June 2014, with the most market growth in Middle Sydney of 19.3%, followed by Outer Sydney and Inner Sydney with 15.6% and 10.2% respectively.

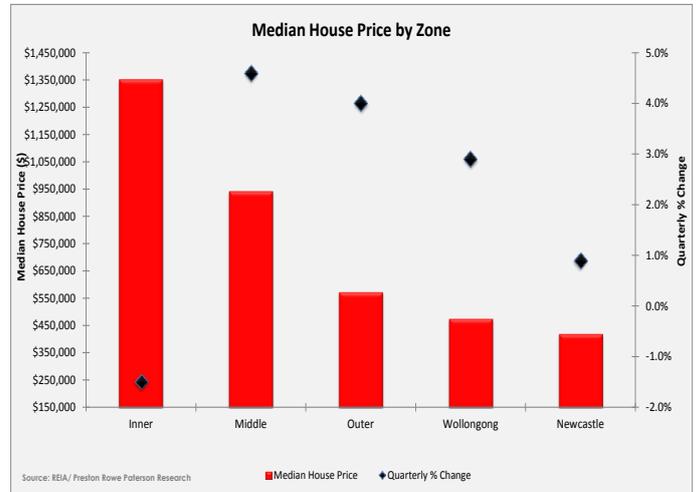


Chart 27 – Median House Price by Zone – Source REIA

Other dwellings median prices also recorded positive results with all zones increasing over the June quarter. Outer Sydney recorded the largest increase of 4.4% with a median sale price of \$479,000.

Inner Sydney recorded a small growth of 1.4% with a median sales price of \$710,000 and Middle Sydney experienced an increase of 2.4% with a median sales price of \$560,000. The year on year comparison saw an increase in all zones of inner, middle and outer Sydney recording growth of 11.8%, 9.8% and 12% respectively.

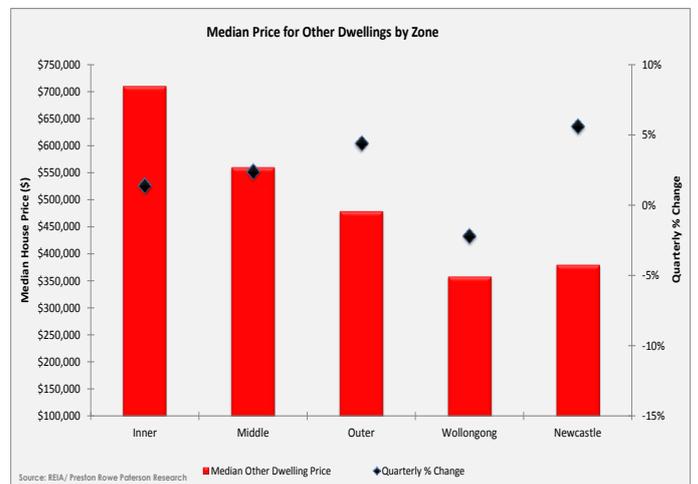


Chart 28 – Median Price for Other Dwellings by Zone – Source REIA

Rental Market

Over the June quarter 2014, positive results were recorded in all zones of Sydney house rents bar Middle Sydney 3 bedrooms rent which fell by 1.8%. The most marked growth was in Inner Sydney and Outer Sydney 3 bedrooms, with growth of 5% and 2.4% to median weekly rental of \$840 and \$420 respectively. Middle Sydney and Outer Sydney 2 bedrooms also increased by 2.3% and 2.2% respectively to median weekly rental of \$450 and \$350. Inner Sydney 2 bedrooms median rents remained unchanged over the quarter.

Over the twelve months to March 2014, all Sydney zones recorded growth, with Inner and Outer Sydney 3 bedrooms increasing by 6.3% and 5% respectively. Followed by Outer Sydney 2 bedrooms at 4.5% increase, Middle Sydney 2 and 3 bedrooms and Inner Sydney 2 bedrooms annual growth of 2.9%, 2.3% and 1.9% respectively.

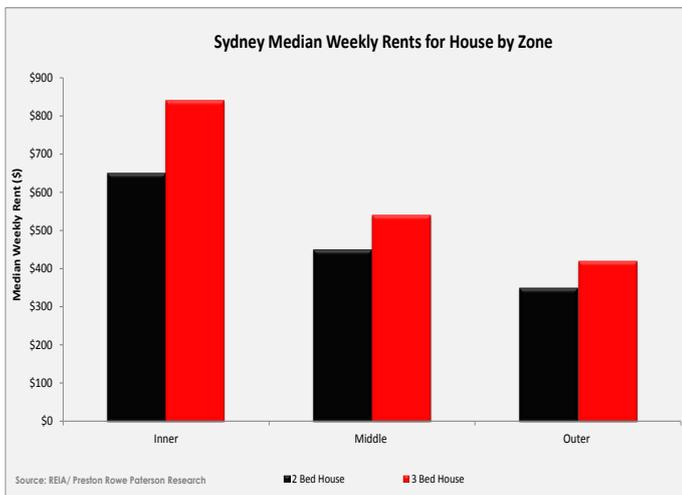


Chart 29 – Sydney Median Weekly Rents for House by Zone – Source REIA

The June 2014 quarter revealed mixed results on other dwelling rents across all zones. All zones recording growth apart from Outer Sydney 1 bedroom rent, which had fallen to \$330 per week respectively. The most marked quarterly growth was in Middle Sydney 1 bedrooms and Outer Sydney 2 bedrooms with growth of 4.7% and 2.6% to median weekly rental of \$450 and \$400 respectively.

Over the twelve months to March June, all Sydney Other Dwelling zones recorded increases in median weekly rentals. The most marked growth was in Middle Sydney 1 bedrooms with growth of 7.1% and Outer Sydney 2 bedrooms with the growth of 5.3%. Inner Sydney followed with 1 and 2 bedrooms recorded annual growth of 4.2% and 5% to median weekly rentals of \$500 and \$630 respectively. Middle Sydney 2 bedrooms and Outer Sydney 1 bedrooms had a smaller annual growth of 2.2% and 3.1% respectively.

The rental and sales activity in Sydney's inner, middle and outer rings over the past quarter has shown that there was an overall growth in both houses and units.

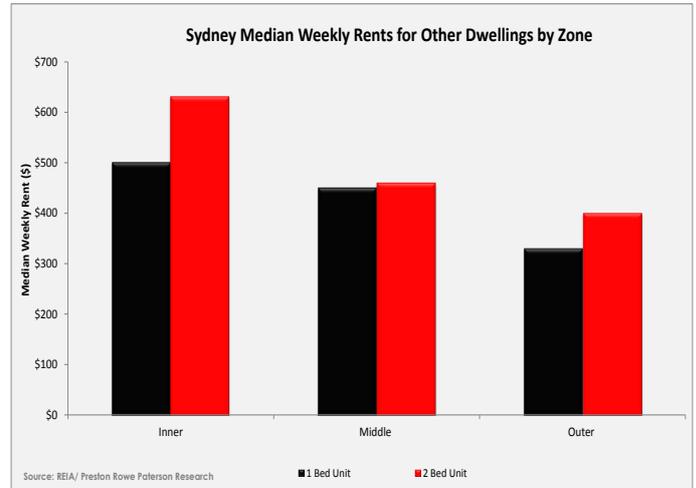


Chart 30 – Sydney Median Weekly Rents for Other Dwellings by Zone – Source REIA

NEWCASTLE

Market Affordability

Over the June quarter 2014, the median house price in Newcastle increased by 0.9% to \$420,000, reflecting an annual growth of 7.7%. Other dwelling sales in the Newcastle region increased by 5.6% over the quarter to \$380,000, however recorded a 11.8% annual growth.

Rental Market

Two bedroom house rents in the Newcastle region remained unchanged over the June quarter and through the year to the median weekly rental of \$350. Three bedroom house rents decreased by 2.4% over the quarter to \$400 per week.

Quarterly results for Other Dwelling rentals in the Newcastle region recorded an decreased of 1.8% for one bedrooms to \$270 per week and decrease of 2.8% for three bedrooms to \$350 per week. Over the twelve months to June 2014, the 1 bedroom other dwellings experienced a 2.2% decrease whereas the 2 bedrooms rental changes.

WOLLONGONG

Market Affordability

Median house prices in Wollongong recorded positive results with quarterly of 2.9% and annual growth of 10% to 475,000. Median Other Dwelling prices in Wollongong recorded a quarterly decrease 2.2%, an annual decrease of 1.8%, to \$362,500.

Rental Market

The median house rents in Wollongong for 2 bedrooms recorded 2.9% fall over the June quarter to median weekly rental of \$340. Wollongong 3 bedrooms decrease by 2.4% at \$400 per week. Over the twelve months to June 2014 the Wollongong 3 bedrooms recorded growth of 2.6%, 2 bedrooms house remained unchanged.

Wollongong Other Dwellings rentals over the June quarter recorded a 4.2% decline in 1 bedroom to median weekly rental of \$230. 2 bedrooms units remained unchanged at \$400 weekly rent. Over the twelve months to June, positive results were experienced with growth in 1 and 2 bedrooms of 2.2% and 3.2% respectively.

Hotels & Leisure Market

Investment Activity

Preston Rowe Paterson Research recorded few Hotel and Leisure transactions that occurred in New South Wales during the September quarter 2014;

2 Queens Parade West, Newport NSW 2106

The Bayfield family has sold the **Newport Mirage Hotel** for **\$10 million** to a Chinese buyer. The hotel is located in Sydney's northern beaches and consists of 47 rooms.

6 Cowper Wharf Roadway, Woolloomooloo NSW 2011

Hong Kong hotel group Ovolo has bought the **Blue Sydney** luxury hotel from the Indian group Taj Hotels for about **\$35 million**.

Formerly known as the W Hotel, the property has 100 rooms and is within walking distance of Sydney's CBD and has views of the harbour and the neighbouring Royal Botanic Gardens. Ovolo will renovate the hotel and change the name after refurbishment is completed.



193 Clarence Street, Sydney, NSW 2000

Elanor Investors Group has joined up with Mantra Group to purchase the **City Hotel** in the Sydney CBD. Elanor Investors Group paid **\$21 million** for the 52 room hotel, reflecting a rate per room of \$403,846. The acquisition of the 52 room hotel and retail complex reflected an acquisition yield of 8.8%. The 3.5 star hotel is located close to Darling Harbour, Westfield and Town Hall. The ground floor retail component is leased to fast food restaurant Oporto on a 7.75 year lease that commenced in April 2008.

1102 Botany Road, Botany, NSW 2019

The Lantern Hotel Group has acquired the **Waterworks Hotel** at Botany in Sydney's east. The \$61 million listed pub and hotel operator paid **\$8.25 million** for the hotel.



9 Darlinghurst Road, Potts Point, NSW 2011

Property investor Theo Onisforou has purchased the **Astoria Hotel** in Sydney's Potts Point. Mr Onisforou paid **\$6.3 million** for the property which was sold at Auctionworks. The hotel comprises 700 rooms 51 of which are ensuite accommodation rooms generating a gross income of \$700,000. It is likely that the site will be redeveloped. Potts Point is around 2.5 km north-east of the CBD.

Kingsway, Cronulla NSW 2230 & 2 Park Street, Mona Vale NSW 2103

Rich-lister publican Arthur Laundry and his son Stuart in partnership with Fraser Short have purchased popular Sydney pubs **Northies Cronulla Hotel** and **Mona Vale Hotel** for a combined value of **\$57 million**. Both hotels were offloaded by the Fernwood Hotel Group. The sale of these two properties was the largest pub transaction for 2014.



Image 1: Northies Cronulla Hotel



Image 2: Mona Vale Hotel

Regional Market

Preston Rowe Paterson Research recorded sales transactions that occurred in regional New South Wales during the three months to September 2014;

Investment Activity

Commercial Office

36 Honeysuckle Drive, Newcastle NSW 2300

Patella Holdings have acquired the **Hunter Water Corporation's headquarters** for **\$25.8 million** in a sale and leaseback deal. Hunter Water Corporation would leaseback the building for a minimum of 10 years. The property was bought on a yield of 7.94% with an annual net income of around \$2 million. The A Grade office building has a net lettable area of 5,379 sqm and 94 on-site car spaces.



Retail

Railway Street, Woy Woy NSW 2256

DEXUS Wholesale Property Fund bought the **Deepwater Plaza** for **\$98.5 million** from Jerry Schwartz. The 18,200 sqm centre is 99% occupied and was purchased at **7.25% yield**.



135-143 Baylis Street, Wagga Wagga NSW 2650

DEXUS Wholesale Property Fund has acquired **Sturt Mall** for **\$61.2 million** on a **7.5% yield** from the NSW Government Superannuation Board. The 15,250 sqm centre has a development approval for an additional 6,000 sqm gross letting area.

210 Howick Street, Bathurst, NSW 2795

Colonial First State Global Asset Management's Property Enhanced Retail Fund (CERF) has snapped up the **Bathurst City Centre** in NSW. CERF paid **\$62.6 million** for the single level 12,241 m² neighbourhood centre which reflects a yield of 7.75% and a rate per m² of approximately \$5,114. The centre is anchored by a strong trading Woolworths supermarket, Best & Less and 38 speciality stores.



Cnr Primrose & Isabella Street, Wingham NSW 2429

An Asian local investor has purchased the **Wingham Plaza** up the North Coast near Taree for **\$10.8 million**. The 3,185 sqm, single levelled neighbourhood shopping centre is anchored by Coles supermarket and specialty stores.

Industrial

174 Princes Highway, South Nowra NSW 2541

A local investor sold the South **Nowra Barbeque Galore** to a private investor for \$2.05 million. The 1,687 sqm property will continue to be leased to Barbeque Galore until 2017 with a further one year option. The annual rent is \$280,000 with a yield of 13.7%.



Leasing Activity

Preston Rowe Paterson Research recorded a few transactions that occurred during the three months to September 2014;

Retail

15-27 Berry Street, Wagga Wagga NSW 2650

The **Riverina Plaza** had leased out **1,385 sqm** to a home-ware and crafts retailer by Lincraft. The bulky goods retail centre had leased the area on a **8 year term** at a **gross annual rental of \$100,000** reflecting a rate of **\$72.20 psm**. The tenancy is located next to Aldi supermarket and will open for business in early November 2014. The Riverina Plaza is located directly opposite the Wagga Wagga Marketplace sub-regional shopping centre.





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

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 for special purpose real estate asset classes, infrastructure 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 & re-valuations
- 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

Sydney (Head Office)

Level 14, 347 Kent Street
Sydney NSW 2000

PO BOX 4120, Sydney NSW 2001

P: 02 9292 7400

F: 02 9292 7404

E: research@prpsydney.com.au

W: www.prpsydney.com.au

Follow us:



Preston Rowe Paterson Australasia Pty Ltd

ACN: 060 005 807

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Directors

Greg Preston
M: 0408 622 400
E: greg.preston@prpsydney.com.au

Greg Rowe
M: 0411 191 179
E: greg.rowe@prpsydney.com.au

Associate Directors

Chad Green
M: 0448 656 103
E: chad.green@prpsydney.com.au

Neal Smith
M: 0448 656 647
E: neal.smith@prpsydney.com.au

Michael Goran
M: 0448 757 134
E: michael.goran@prpsydney.com.au

Erika Minnaard
M: 0448 886 335
E: erika.minnaard@prpsydney.com.au

Capital City Offices

Adelaide

Brisbane

Hobart

Melbourne

Sydney

Regional Offices

Albury Wodonga

Ballarat

Bendigo

Cairns

Central Coast/Gosford

Geelong

Gold Coast

Gippsland

Griffith

Horsham

Mornington

Newcastle

Wagga Wagga

Warrnambool

Relationship Offices

Canberra

Darwin

Perth

Other regional areas