



Preston
Rowe
Paterson

®
International Property Consultants

Property Market Report

Victoria

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 Given the manner in which statistics are compiled and published they are usually 3-6 months out of date at the time we analyse them.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.

December Quarter 2016

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COMMERCIAL OFFICE MARKET

Melbourne CBD

Investment Activity

Preston Rowe Paterson Research recorded the following reported sales transaction that occurred in the Melbourne CBD office market during the three months to December 2016:

114 William Street, Melbourne, VIC 3000

AFIAA has bought a 26-level office and retail property from *Straits Real Estate* for **\$161.5 million**. The 21,022 m² of net lettable area tower has 96 car spaces. A capital expenditure program was recently undertaken involving a ground floor foyer upgrade, several full floor refurbishments, sustainability initiatives and end of trip facilities. The sale reflects a **rate of \$7,682 psm**.



50 Franklin Street, Melbourne, VIC 3000

Lian Beng has purchased an 18-level office tower from a group of strata owners for **\$51.5 million**. The 11,447 m² building sits on a 2,213 m² site and had 11 owners with 18 separate ownerships. The entire building is leased to *Salmat* who will be moving when their lease expires in February. The sale reflects a **rate of \$23,272 psm**.



Cnr Collins & Queen Streets, Melbourne, VIC 3000

GPT Group's unlisted office fund has acquired a 34-storey commercial tower and historic Gothic-style buildings for **\$275 million**. The properties comprise a total of 39,000 m² of office space. *ANZ* will lease back the tower until 2019 under the deal. The sale reflects a **rate of \$7,051 psm**.

5 Queens Road, Melbourne, VIC 3000

Charter Hall has sold an office tower to a unit of *Tong Eng Group* for **\$116.3 million**. The 11-storey office tower has 17,449 m² of net lettable area. The property is anchored by major tenants including *Unico Computer Systems*, *Beca* and *Shape*. The sale reflects a **rate of \$6,665 psm**.

532 & 540 Elizabeth Street, Melbourne, VIC 3000

The *Construction, Forestry, Mining and Energy Union* have acquired a 10-level office building for **\$30 million**. The *Australian Nursing and Midwifery Federation* sold the property that is due to be completed in September next year. The facility will include an auditorium and educational facility.

839 Collins Street, Docklands, VIC 3008

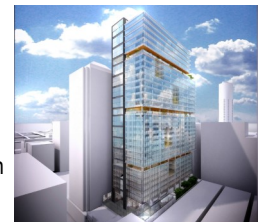
Challenger and *Invesco* are in due diligence to buy a 21-level tower being constructed by *Lendlease*. The 39,000 m², **\$430 million** office tower will have *ANZ* as the tower's anchor tenant. The **cap rate is a little above 5%**. The sale reflects a **rate of \$11,026 psm**. Docklands is located about 2 km west of Melbourne's CBD.

Leasing Activity

Preston Rowe Paterson Research recorded the following leasing transactions that occurred in the Melbourne CBD office market during the three months to December 2016:

171 Collins Street, Melbourne, VIC 3000

@WORKSPACES will occupy 1,108 m² of space in a premium building. The tenancy is on a 7-year, 9-month sublease from the *Wood Group* on the property's 5th floor. The rent is in the **low \$500 per m² range**.



477 Collins Street, Melbourne, VIC 3000

Deloitte will occupy 22,000 m² of space across 12 floors for **12-years**. The tenancy is due to begin in 2020. The rent will be **between \$650 and \$750 psm**.

15 William Street, Melbourne, VIC 3000

Cognizant Technology Solutions will occupy a part-floor office for **5-years**. The 1,400 m² of space is located on level six and the net annual rent is in the **high \$300 psm range**.

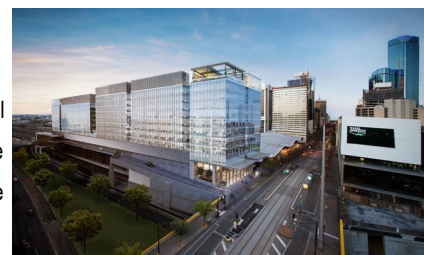
Development Sites

According to the Property Council of Australia (PCA)'s Office Market Report January 2017, the following new developments are expected to be completed in Melbourne's CBD:

Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
664 Collins Street	664 Collins Street, Docklands, VIC 3008	Construction	Mirvac Group	26000	Q3 2017
One Melbourne Quarter	699 Collins Street, Docklands, VIC 3008	Construction	APPF Commercial	26400	Q3 2018
Melbourne Quarter Tower	693 Collins Street, Docklands, VIC 3008	Site Works	Lendlease	54000	Mooted
5 Collins Square - Site 4E	737 Collins Street, Docklands, VIC 3008	DA Approved	Walker Corporation Pty Ltd	20000	Mooted
New Quay	396 Docklands Drive, Docklands, VIC 3008	DA Approved	MAB Corporation	8500	Mooted
80 Collins Street	80 Collins Street, Melbourne, VIC 3000	DA Approved	Queensland Investment Corporation (QIC)	40000	Q1 2019
271 Spring Street	271 Spring Street, Melbourne, VIC 3000	DA Approved	ISPT	21000	Q3 2019
Wesley Upper Lonsdale Development	130 Lonsdale Street, Melbourne, VIC 3000	DA Approved	Charter Hall	50000	Mooted
Enterprise House	555 Collins Street, Melbourne, VIC 3000	DA Applied	Harry Stamoulise	11280	Mooted
Rialto (DEV)	525 Collins Street, Melbourne, VIC 3000	Construction	Grollo Group; St. Martins Properties	6000	Q1 2017
The Olderfleet	477 Collins Street, Melbourne, VIC 3000	Construction	Mirvac Group	55000	Q1 2019
Collins Arch	447 Collins Street, Melbourne, VIC 3000	Construction	Cbus Property	49000	Q1 2019
405 Bourke Street	405 Bourke Street, Melbourne, VIC 3000	DA Approved	Brookfield Office Properties (Brookfield Multiplex)	61000	Mooted

664 Collins Street, Docklands, VIC 3008

Construction of Mirvac's new Docklands office building at 664 Collins Street have begun, of which the nine-level development will supply 26,000 square metres of office space upon its completion. The building has a floorplate size of 2,700 square metres, and will be anchored by accounting firm Pitcher Partners over 10,000sqm of office space. Expected date of completion is set at the third quarter of 2017.



271 Spring Street, Melbourne, VIC 3000

Plans for the construction of a commercial office building at 271 Spring Street have been DA Approved, which will further add an extra 21,000 square metres into Melbourne's supply of office space by 2019. The building, owned by ISPT, will contain 16 levels of office space, though to date, we do not have knowledge of the floorplate size.

525 Collins Street, Melbourne, VIC 3000

The **Rialto Regeneration Project**, located on 525 Collins Street, is still under construction and is now due to be completed during the first quarter of 2016. The PCA reports there will be 6000sqm net lettable area, and will contain new offices, retail, dining and health and wellbeing services.



Supply by Grade (Stock)

January 2017's PCA Office Market Report indicate that there was an increase of 2.0% in office space over the six months to January. This equates to an increase of 88,238 sqm in space to bring Melbourne's office stock up to 4,526,062 sqm.

A Grade stocks contributed the most to this increase, with an addition of 93,768 sqm in space over the period to bring total stocks up to 2,239,962 sqm. C Grade stocks also increased, by 6,011 sqm to 547,955 sqm. In contrast, Premium Grade and B Grade stocks declined over the period, by –5,500 sqm and –6,041 sqm respectively. Their total supply stand at 746,387 sqm and 875,344 sqm respectively.

A Grade stocks still dominate Melbourne's office market, with 49.5% of total space. Premium Grade stocks follow, with 16.5%, followed by B Grade stocks (19.3%), C Grade stocks (12.1%) and D Grade stocks (2.6%).

From Chart 2, we note that supply addition through the six months to January outweigh withdrawals of office stock in Melbourne CBD. There was an addition of 136,368 sqm of space, offset by 48,130 sqm of withdrawals over the same period.

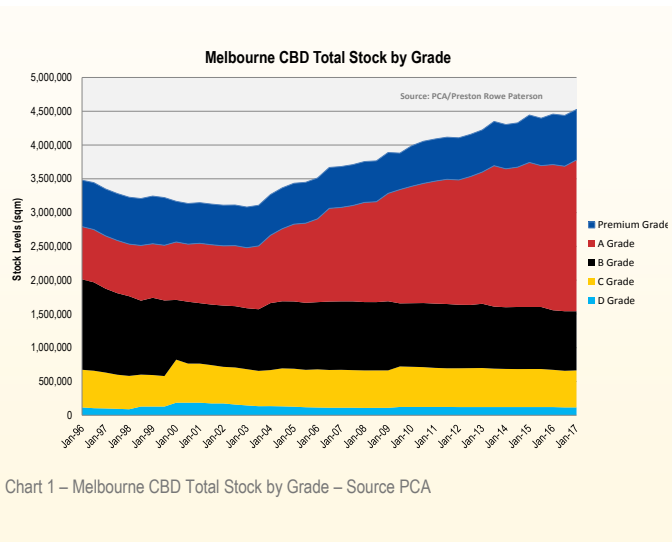


Chart 1 – Melbourne CBD Total Stock by Grade – Source PCA

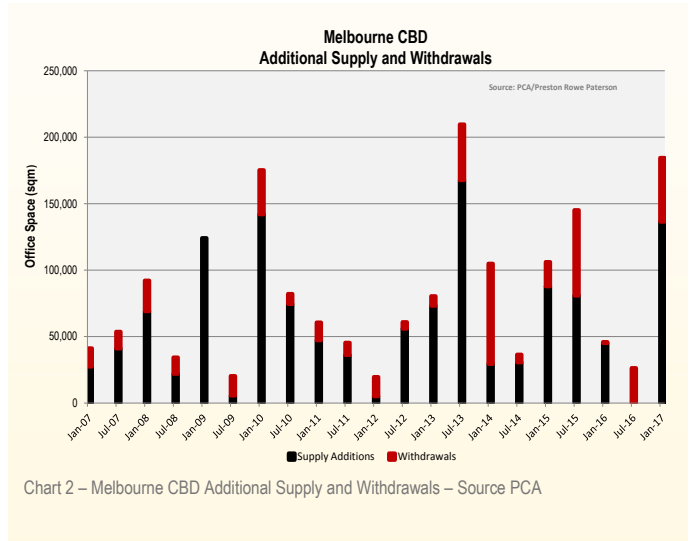


Chart 2 – Melbourne CBD Additional Supply and Withdrawals – Source PCA

Total Vacancy

Total vacancy in Melbourne CBD declined over the six months to January 2017 to 6.4%, with total vacancy declining to 291,309 sqm in space. This change was largely attributed to the decrease in direct vacancy, from 6.4% and 6.0%, whilst sub-lease vacancy declined from 0.7% to 0.5%.

Tightening in vacancy rates occurred across all but A Grade offices, with Premium Grade and B Grade offices experiencing the steepest decline in total vacancy of –1.7% each. Their respective vacancy rates stand at 6.7% for Premium office and 5.8% for B Grade offices. C Grade offices experienced a decline of –0.8% down to 8.3%, whilst D Grade offices declined by –0.5% to 1.7%. On the other hand, A Grade offices experienced a 0.3% increase in total vacancy to 6.4%.

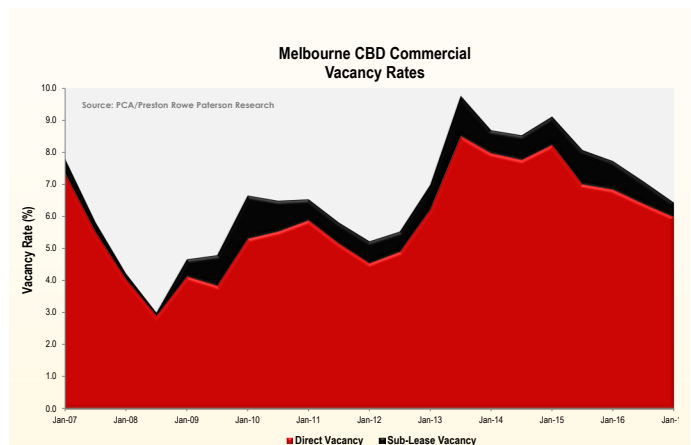


Chart 3 – Melbourne CBD Commercial Vacancy Rates – Source PCA

East Melbourne CBD

Investment Activity

Preston Rowe Paterson Research recorded a number of reported sales transactions that occurred in the East Melbourne office market during the three months to December 2016:

10 Wesley Court, Burwood East, VIC 3151

A private investor has bought an office building in the **Tally Ho Business Park** for **\$19.55 million**. The sale reflects a **yield of 6.97%**. Burwood East is located around 18.4 km east of Melbourne's CBD.



16-18 Cato Street, Hawthorn East, VIC 3123

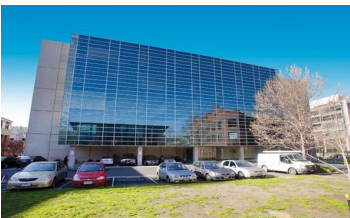
A private syndicate has purchased the corporate headquarters of *Bunnings Group* for **\$24.7 million**. The lessee struck a new 6-year deal in August with an additional 6-year option to renew. The 5,295 m2 building sold on a **yield of 6%**. The sale reflects a **rate of \$4,665 psm**. Hawthorn East is located about 7.8 km east of Melbourne's CBD.

Leasing Activity

Preston Rowe Paterson Research recorded the following leasing transactions that occurred in the East Melbourne office market during the three months to December 2016:

Building 8, 658 Church Street, Richmond, VIC 3121

IVE Group Australia has agreed to a **5-year lease with options** on a 908 m2 ground floor office. The lessee will upgrade the exposed ceilings and polished concrete floors. The **annual rent of \$418 psm** will be paid to the landlord Property Bank. Richmond is located 3.8 km east of the Melbourne CBD.



Supply by Grade (Stock)

There was a minor decline in the supply of office market stock in East Melbourne over the six months to January 2017. B Grade offices continue to dominate the market, with a total of 89,164 sqm (or 51.3%) of space, followed by A Grade with 54,352sqm (33.3%), C Grade with 18,278 sqm (10.5%) and D Grade with 8,667 (5.0%). Over the half year, total supply declined by **-2.0%**. The withdrawal of 3,500 sqm in space was attributed to the decline in A Grade office stocks from 57,852 sqm to 54,352 sqm. Total stocks for East Melbourne stand at 170,461 sqm.

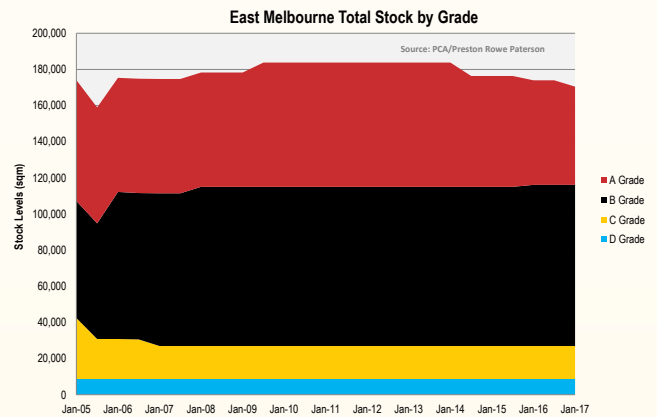


Chart 4 – East Melbourne Total Stock by Grade – Source PCA

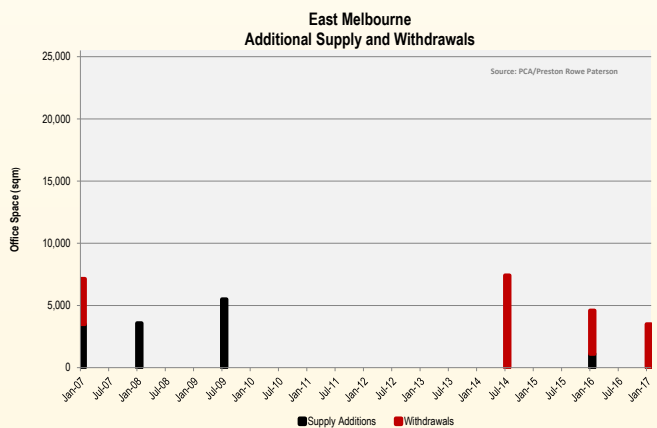
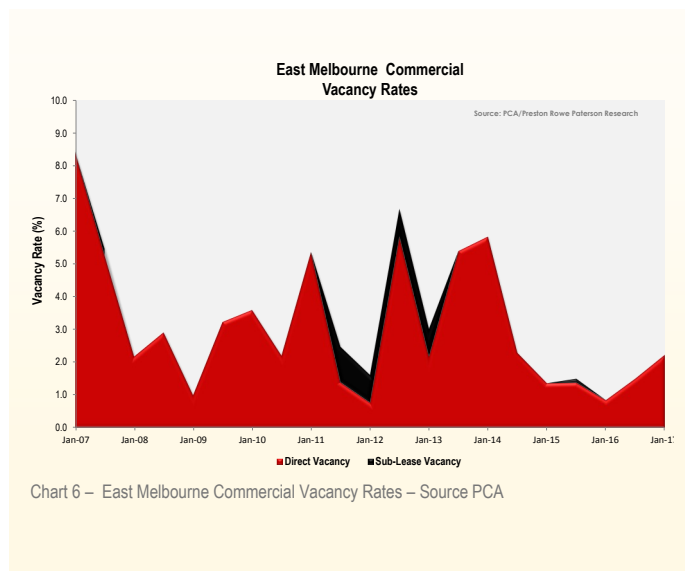


Chart 5 – East Melbourne Additional Supply and Withdrawals – Source PCA

Total Vacancy

Total vacancy for East Melbourne's office market increased by 0.7% to 2.2% over the half year to January 2017. This was all attributed to the change in direct vacancy, which increase to 2.2%, whilst sub-lease vacancy remain at 0.0%.

D Grade office increased by 2.3% to 2.3% over the half year, the largest movement out of all office grades. A Grade and B Grade stocks followed, with total vacancy increasing to 4.5% (+1.4%) and 1.3% (+0.6%) respectively. Total vacancy of C Grade stocks declined by -1.0% to 0.0% over the period.



Southbank

Investment Activity

Preston Rowe Paterson Research recorded a number of reported sales transactions that occurred in the Southbank office market during the three months to December 2016:

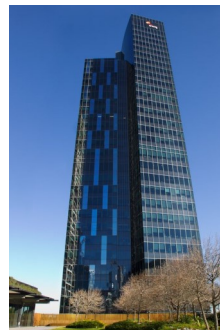
12 Riverside Quay, Southbank, VIC 3006

Loi Keong Kuong has purchased the headquarters of *ExxonMobil* for **\$160 million**. The 22,000 m², 20-storey office is still mostly occupied by the energy giant who will retain a short-term lease as part of the deal. The sale reflects a **rate of \$7,273 psm**. Southbank is located about 1 km south of Melbourne's CBD.



Leasing Activity

Preston Rowe Paterson Research recorded the following leasing transactions that occurred in the Southbank office market during the three months to December 2016:



2 Southbank Boulevard, Southbank, VIC 3006

VMware has leased 1,375 m² office space from joint landlords on a **7-year deal**. The 37-floor office tower offices premium grade office space including recently refurbished end-of-trip facilities. Southbank is located about 1 km south of Melbourne's CBD.

Supply by Grade (Stock)

Over the six months to January 2017, an addition of 22,444 sqm of office space was added, though this is offset by the withdrawal of 25,299 sqm over the same period. Additions stemmed from B Grade office stocks, which had 3,571 sqm of space added to equate 103,989 sqm. A Grade and C Grade stocks experienced declines in their stocks down to 248, 263 sqm (- 556 sqm) and 50, 403 sqm (-1,359 sqm) respectively. No change was recorded in D Grade stocks, which remained at 3,082 sqm.

Southbank's market continues to be dominated by A Grade stocks, with 61.6% of total office stocks. B Grade stocks covers 24.9% of total stocks, C Grade with 12.8% and D Grade with 0.8%.

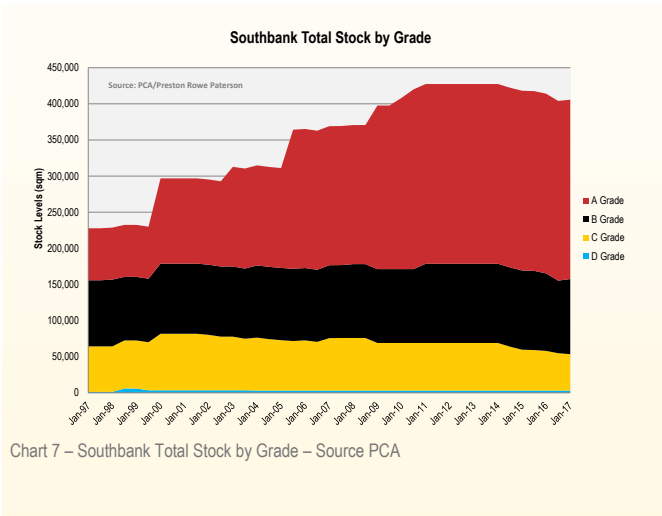


Chart 7 – Southbank Total Stock by Grade – Source PCA

Total Vacancy

Total vacancy rates Southbank's office market declined to 4.1% over the six months to January 2017, with direct vacancy remaining unchanged at 4.0% and sub-lease vacancy declining by 0.5% to 0.1% for the period. The area of total vacancy amounts to 16, 583 sqm, which is a decline of 4,252 sqm of space from the previous period.

Notably, total vacancy rates for D Grade offices dropped to 0.0% over the six months, signifying a decline of 7.0%. A, B and C Grades offices also experienced declines in their vacancy rates, of -0.1%, -1.9% and -2.2% respectively.

Development Sites

2 Riverside Quay, Southbank

The Riverside Quay, set to be completed by the fourth quarter of 2016, will provide an 11 level office building over 21,000 sqm of net lettable area. This development is being built under the partnership of the *City of Melbourne and Mirvac* and will provide 150 sqm of retail space and 579 car spaces.

102 Sturt Street, Southbank

The ABC Development under owner Australian Broadcasting Corporation is due to be completed by the fourth quarter of 2016. There will be 30,000 sqm of net lettable area available, of which 6 levels will be office levels. The building will have an average floorplate size of 2600 sqm, with 70 car spaces in total. The reported \$176 million expansion will no longer contain ABC's Ripponlea complex, but now will house the Melbourne Symphony Orchestra upon completion.

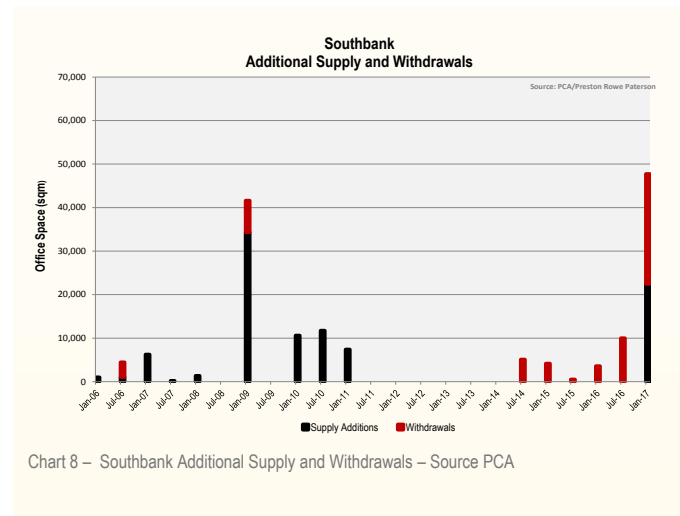


Chart 8 – Southbank Additional Supply and Withdrawals – Source PCA

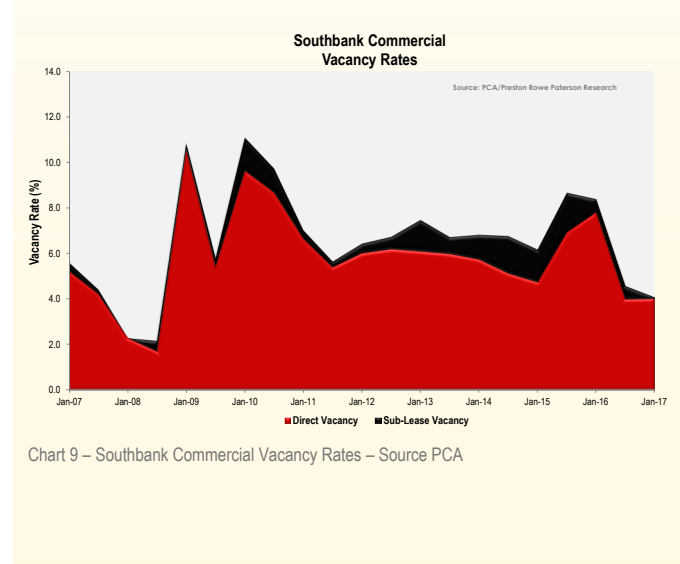


Chart 9 – Southbank Commercial Vacancy Rates – Source PCA

St Kilda Road

Investment Activity

Preston Rowe Paterson Research recorded a number of reported sales transactions that occurred in the St Kilda Road office market during the three months to December 2016:

553 St Kilda Road, Melbourne, VIC 3000

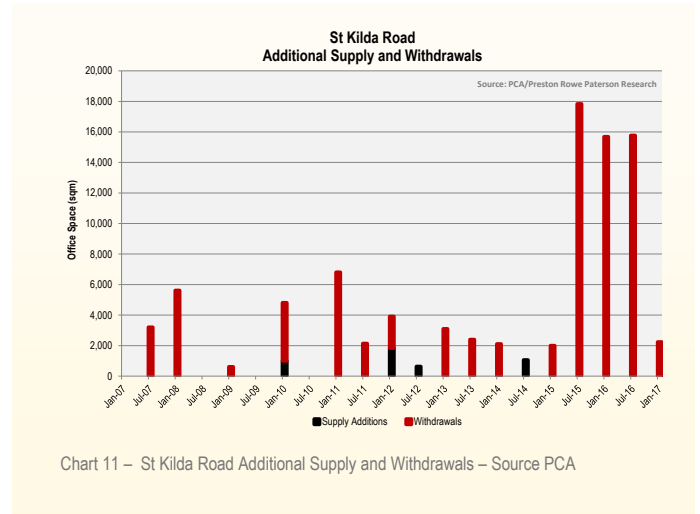
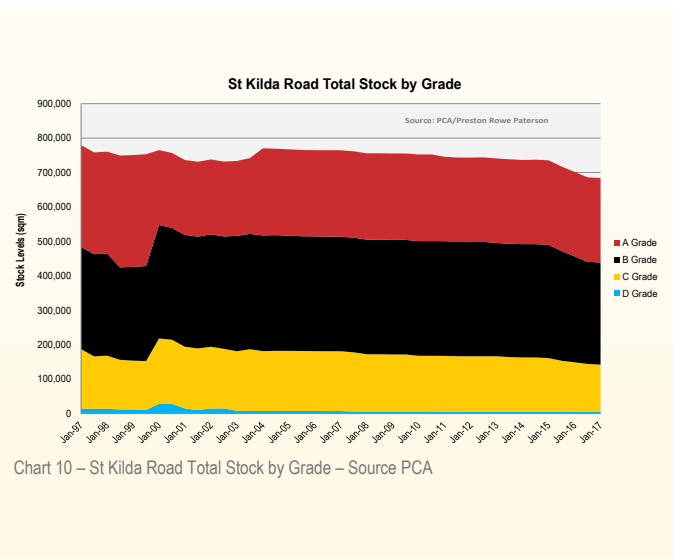
Nick Andrianakos has purchased a 7-storey, 10,316 m2 office building from *International Healthway Corporation* for **\$70 million**. The property sold on a **net yield of 7.3%**. *Monash University* agreed to a brand-new 10-year lease in August for 8,000 m2 in the building. There are 183 car bays. The sale reflects a rate of **\$6,786 psm**.



Supply by Grade (Stock)

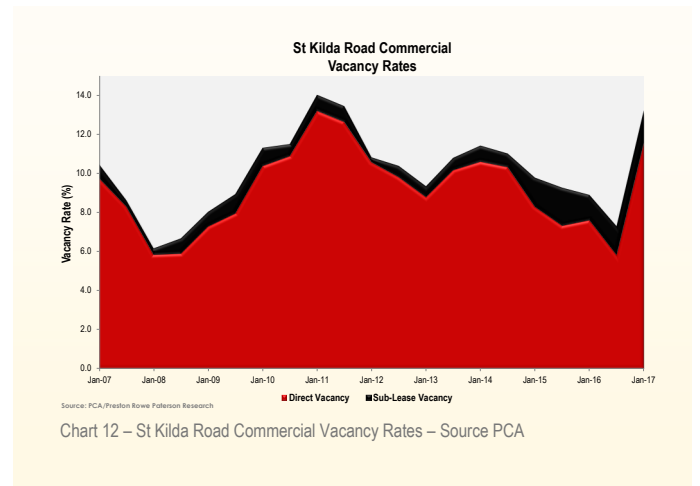
Analysis of the St Kilda Road's office market report revealed that there was 2,239 sqm of office space withdrawal along the St Kilda Road in the six months to January 2017. There was no reported additional space supply in the market in the same period. The total office stock in the St Kilda Road area is at 683, 936 sqm.

The St Kilda Road office market is largely populated by the A and B Grade stock, assuming up to 35.8% and 43.4% of total supply respectively. This is followed by C Grade at 20.0% and D Grade at 0.8%.



Total Vacancy

Total vacancy rates in St Kilda Road's market increased by 5.9% to 13.2% over the six months to January 2017. A Grade, B Grade and C Grade offices all experienced increases in their vacancy rates over the period. A Grade office vacancy increased by 3.2% to 6.0%, B Grade vacancy increased by 4.0% to 17.1% and C Grade vacancy increased by 3.4% to 18.2%.



Outer Melbourne

Investment Activity

Preston Rowe Paterson Research recorded a number of reported sales transactions that occurred in the Outer Melbourne office market during the three months to December 2016:

582 Swan Street, Richmond, VIC 3121

An offshore family investor has acquired a 1,615 m² 3-level office building with basement parking for **under \$10 million**. There are six tenancies, a ground-floor café and 28 basement car spaces on the 971 m² site. The sale reflects a **net yield of 6%** and a **rate of \$10,905 psm**. Richmond is located about 60 km north-west of the Melbourne CBD.

55 Whitehorse Road, Balwyn, VIC 3104

PMCC Investments has sold a 1,368, two-level office building to a Melbourne investor for **\$8.03 million**. The property is fully-leased to financial service firms and medical practices and has a WALE of 3.66-years. The sale reflects a **net yield of 5.7%** and a **rate of \$5,870 psm**. Balwyn is located about 12.7 km north-east of Melbourne's CBD.

Leasing Activity

Preston Rowe Paterson Research recorded the following leasing transactions that occurred in the Outer Melbourne office market during the three months to December 2016:

1341 Dandenong Road, Chadstone, VIC 3148

Vicinity Centres and *Gandel Group* have negotiated the **7-year lease** of the eight floor in **Chadstone Tower One** to *Victory Corporate Serviced Offices*. The **net annual rent is \$360 psm**. Chadstone is located around 16 km south-east of Melbourne's CBD.



369 Royal Parade, Parkville, VIC 3052

A full-floor of office space will be leased by *Fiserv* for **5-years**. The 828 m² office space has bike racks and end of trip facilities. The **net annual rent is \$310** and the landlord is *Riverlee*. Parkville is located 3.5 km north of Melbourne's CBD.

RETAIL MARKET

Investment Activity

Preston Rowe Paterson Research recorded the following retail transactions that occurred in the Melbourne metropolitan area during the December 2016 quarter:

125-131 Chapel Street, Melbourne, VIC 3000



A local private investor has paid **\$14.96 million** for a two-storey retail property. The ground floor of the corner site is currently leased to a *Mad Mex* restaurant. The sale was struck on a **3.5% yield**.

251 Maroondah Highway, Healesville, VIC 3777

A local private investor has paid **\$29.9 million** to *Moelis Australia Asset Management* for the **Healesville Walk** shopping centre. The 4,972 m² neighbourhood shopping centre sits on a 1.33-hectare site and is anchored by *Coles* and *Liquorland*. There are also 12 specialty shops. The sale reflects a **rate of \$2,248 psm**. Healesville is located 60.1 km north-east of Melbourne's CBD.

239-249 High Street, Bendigo, VIC 3550

Phileo has sold the **Rocklea Homemaker Centre** to a large format retail investor for **\$35 million** on a **yield of about 7.7%**. The centre is leased to tenants including *Fantastic Furniture*, *Baby Bunting*, *Lincraft*, *Focus on Furniture*, *BCF*, *Adairs*, *Early Settler*, *Howard Storage World*, *Pillow Talk*, *Pets Domain* and *Anytime Fitness*. There are also 530 on grade car parks and modern amenities such as baby changing facilities and a café. Bendigo is located about 156 km north-west of Melbourne's CBD.

260 Collins Street, Melbourne, VIC 3000

JPMorgan Asset Management has bought the **Collins Lane** mall from *LaSalle Investment Management* for **\$247 million** on a **yield of around 5%**. The centre features many luxury international and local brands including *Coach*, *Cue*, *Tag Heuer* and *Rodd & Gunn*.



Cranbourne Road & Littlecroft Avenue, Narre Warren, VIC 3805

Scentre Group has sold the **Casey Central Shopping Centre** to M&G Real Estate for **over \$220 million** on a **fully leased yield of around 5.5%**. The centre was transformed from a 6,500 m2 small neighbourhood centre to a brand new 28,700 m2 sub-regional shopping centre in 2005. There is a full-line *Coles* and *Woolworths* supermarkets, an *Aldi* supermarket, a major fresh-food precinct, a *Target* discount department store and 80 specialty shops. The sale reflects a **rate of more than \$7,666 psm**. Narre Warren is located around 40.3 km south-east of Melbourne's CBD.

Leasing Activity

Preston Rowe Paterson Research recorded the following leasing transaction that occurred in the Sydney metropolitan areas during the three months to December 2016.

6 Elonera Road, Noble Park, VIC 3174

Lollipops will open a new 1,877 m2 children's indoor entertainment centre after leasing a new facility. The lease is for **15-years with options** and is for a **net annual rent in the low to mid-\$100 psm range**. Noble Park is located around 28 km south-east of the Melbourne CBD.

Retail Statistics

Retail Trade data from the Australian Bureau of Statistics indicates that total retail turnover for Victoria declined by **-0.4%** over the month to December 2016. Seasonally adjusted turnover for December in Victoria stand at \$6,431.7 million, 3% higher than figures from December of 2015.

Out of the major retail groups, Clothing & footwear and Food retailing experienced positive monthly changes, of 0.94% and 0.10% respectively. Clothing & footwear group experienced a turnover of \$558.2 million, whilst Food retailing experienced a turnover of \$2,516.9 million over the month to December.

In contrast, the largest decline in turnover was found in Other retailing, which declined by **-2.06%** over the month to have a turnover of \$960.3 million for December 2016. Household goods and Café & restaurants also experienced declines over the month, down by **-0.77%** and **-0.87%** respectively. Their respective turnover for December 2016 are \$1,165.3 million and \$850.1 million.



Chart 13 – Victoria Retail Turnover – Source ABS

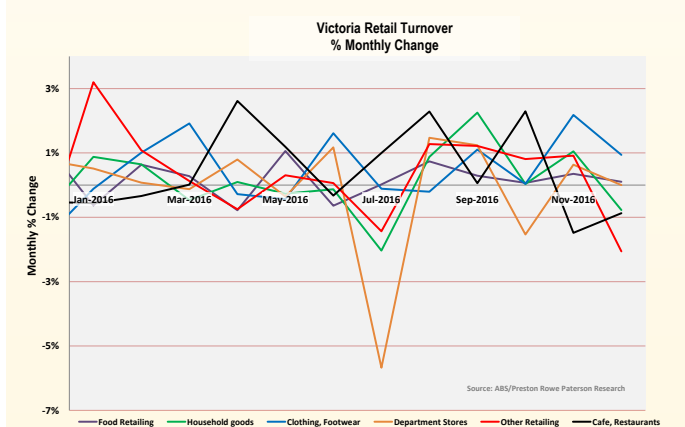


Chart 14 – Victoria Turnover % Monthly Change – Source ABS

Over the year, most retail sectors experienced positive growths, with Clothing & footwear outperforming all others with an annual growth in turnover of 7.9%. Café & restaurant's performance followed closely, with an annual change in turnover of 5.9%. Turnovers for Other retailing increased by 4.7% over the year, followed by Household goods with 2.1% and Food retailing with 0.1%. Department stores, in contrast, experienced a decline of **-2.0%** over the same period.

INDUSTRIAL MARKET

Investment Activity

Preston Rowe Paterson Research recorded a number of sales transactions that occurred in the Melbourne industrial market, during the three months to December 2016:

47-63 Remington Drive, Dandenong South, VIC 3175

Primewest has acquired two 9,300 m² industrial facilities for **\$9.06 million**. The property has canopies, offices and 108 parking bays on a 1.78-hectare site. The sale reflects a **yield of 8.25%** and a **rate of \$509 psm**. Dandenong South is located about 31.1 km south-east of Melbourne's CBD.

36-52 National Boulevard, Campbellfield, VIC 3061

Propertylink has sold an 11,717 m² office and warehouse facility to a local owner-occupier from the food industry for **\$9.6 million**. The property has an upgraded water, power and gas supply and concrete aprons on the side and rear yards. Loading is via on-grade roller shutter doors. The sale of the 21,000 m² site reflects a **rate of \$457 psm**. Campbellfield is located 15.3 km north of the Melbourne CBD.

295-321 Perry Road, Keysborough, VIC 3173

A 6-hectare industrial property has been acquired by a private buyer for **\$5.8 million**. The site has development upside. The sale reflects a **rate of \$97 psm**. Keysborough is located about 26.2 km south-east of the Melbourne CBD.

1651-1657 Centre Road, Springvale, VIC 3171

Australian Unity has acquired a 10,987 m² office and warehouse property for **\$12.98 million** on a **7.3% yield**. The property sits on a 29,640 m² site and is leased to *Mainfreight Ltd* for 5-years. The sale reflects a **rate of \$438 psm**. Springvale is located about 25.4 km south-east of the Melbourne's CBD.

89 Lewis Road, Wantirna South, VIC 3152

A Hong Kong-based investment group has purchased an industrial facility for **\$6.45 million** on a **net yield of 6.82%**. The 7,912 m² building occupies a 1.8-hectare site and is leased to *Australia Post* and *Silvan Australia*. The sale 1.8-hectare site reflects a **rate of \$358 psm**. Wantirna South is located around 26.4 km east of Melbourne's CBD,

79-95 & 105 Corio Quay Road, Norlane, VIC 3214

A private investor has bought a 22,000 m² distribution centre for **\$19.5 million**. The property features two interconnected warehouses as well as a vacant parcel of adjoining land. The sale reflects a **yield of about 9%** and a **rate of \$886 psm**. Norlane is located about 7.2 km north of Geelong's CBD.

Leasing Activity

Preston Rowe Paterson Research recorded a number of leasing transactions that occurred in the Melbourne industrial market during the three months to December 2016:

34-36 Banfield Court, Truganina, VIC 3029

Landlord *Pelligra Group* has leased a purpose-built truck depot to *Wheadons Freight Management & ERH Refrigerated Transport* for **10-years**. The lessee will occupy a 5,500 m² facility which comprises a dual workshop with service pits, a high clearance warehouse, five on-grade roller doors and offices. The **net annual rent is \$82 psm**. Truganina is located about 23.5 km south-west of Melbourne's CBD.

32 Crompton Way, Dandenong, VIC 3175

Murray River Organics will occupy a 4,659 m² industrial property from landlord *Lettieri Property Group* for **10-years**. The lessee will pay a **gross annual rent of \$90 psm**. Dandenong is located about 31.3 km south-east of the Melbourne CBD.

12 Koornang Road, Scoresby, VIC 3179

Plastic Solutions Australia has signed a **7-year deal** for a 6,152 m² industrial building. The company will pay a **net annual rent of \$65 psm**. The property also has a secure side-yard. Scoresby is located 28.5 km south-east of the Melbourne CBD.

71-93 Whiteside Road and 84 Main Road, Clayton South, VIC 3169

Walkinshaw Automotive Group will lease 28,195 m² of warehouse space from *Propertylink* for **15-years**. The deal was struck at **between \$75 and \$85 psm**. Clayton South is located 22.7 km south-east of the Melbourne CBD.

9 Redland Drive, Mitcham, VIC 3132

Sensor Dynamics Australia will occupy a 1,442 m² office and warehouse for **3-years with options**. The two-level property has a mezzanine workshop, storage, a clear span warehouse, container height roller door, 18 underground car spaces and 11 on-grade car spaces. The **gross annual rent is \$139 psm**. Mitcham is located about 21.6 km east of Melbourne's CBD.

60-64 Vella Drive, Sunshine, VIC 3020

Cardno Construction Sciences has leased a 2,117 m² office and warehouse for **3-years with options**. The property comprises a clear-span warehouse with three motorised roller shutter doors and a 250 m² office with a reception and partitioned spaces. The **gross annual rent is \$73 psm**. Sunshine is located around 40.5 km north-west of Melbourne's CBD.

12 William Angliss Drive, Laverton North, VIC 3026

Business Warehouse has leased a 385 m² office and 4,312 m² warehouse for **3-years**. The property in the **William Angliss Industrial Estate** and comprises a 10-metre loading canopy, four-one grade doors, two recessed loading docks and an office. The **gross annual rent is around \$75 psm**. Laverton North is located about 14.6 km west of the Melbourne CBD.

25 Efficient Drive, Truganina, VIC 3029

Krehalon Australia has signed a deal to lease an office and warehouse for **3-years with options**. The lessee will pay a **net annual rent of \$75 psm** for the 2,250 m² property. The secure site also has parking. Truganina is located about 23.5 km south-west of the Melbourne CBD.

Dalmore Drive, Scoresby, VIC 3179

Health More Pty Ltd has agreed to sub-lease a 5,200 m² industrial facility from previous tenant *MRC Global* for **3-years**. The net annual rent for the property in the **Caribbean Business Park** was **between \$75 and \$80 psm**. Scoresby is located around 28.5 km south-east of Melbourne's CBD.

578 Plummer Street, Port Melbourne, VIC 3207

A private landlord has broken up a warehouse to allow *Uber* to lease 1,942 m² of office and warehouse space as well as 375 m² of hardstand. The lessee will pay a net annual rent of \$225,000 over a **4-year term**. The lease reflects a **rate of \$97 psm**. Port Melbourne is located about 5 km south-west of Melbourne's CBD.

19-31 King Street, Nunawading, VIC 3131

Fisher Paykel Healthcare has relocated to a newly leased industrial property. The new tenant will lease the 1,655 m³ office and showroom and 2,353 m² warehouse which include multiple high clearance roller doors. The **net annual rent of \$137 psm** will be paid to a private landlord. Nunawading is located about 19.9 km east of the Melbourne CBD.

1 Technology Circuit, Hallam, VIC 3803

Broadspectrum has agreed to occupy a 1,961 m² office and warehouse from *Elite Property Group* on a **3-year deal**. The **net annual rent for the property is \$97 psm**. Hallam is located about 38.7 km south-east of the Melbourne CBD.

32 Sunline Drive, Truganina, VIC 3029

The *Cargo Warehouse* has committed to a 1,985 m² industrial property for **3-years with options**. The property will be used as a multifunctional cargo handling facility. There is a hardstand, a truck manoeuvring area and dual roller door access on the site. The **gross annual rent is \$75 psm**. Truganina is located about 23.5 km south-west of the Melbourne CBD.

RESIDENTIAL MARKET

Economic Statistics

Building Approvals statistics from the Australian Bureau of Statistics indicate that the total number of approvals for the construction of houses declined by 23.5% over the month to December, from 2,326 approvals in November to 1,775 approvals in December. Though, December's figure indicates a decline of 1.6% from twelve months prior.

Total number of dwellings excluding houses that were approved in December increased by 44.8% from a month prior, from November's figure of 2,546 approvals in November to 3,687 approvals in December. This figure indicates an annual growth of 30.8% in unit approvals.

Total number of dwellings approved for construction increased by 12.1% over the month, and 18.17% when compared to December 2015. The figures show a slow down in the approvals of houses and a strong uplift in apartment and unit construction in the Greater Melbourne region.

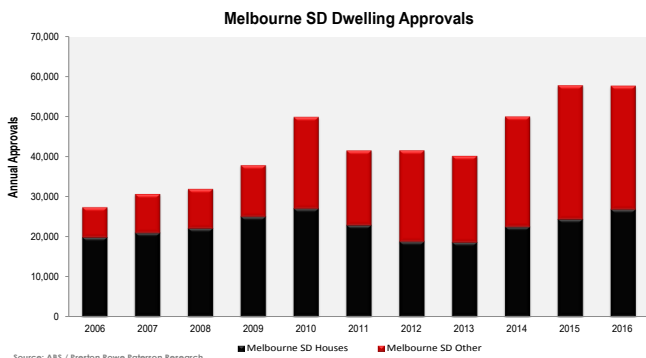


Chart 15—Melbourne SD Dwelling Approvals—Source ABS

MELBOURNE

Market Affordability

Figures from the Real Estate Institute of Australia (REIA) indicate that Melbourne experienced an overall increase of 3.2% in house prices over the September quarter. Inner Melbourne experienced the largest increase over the quarter, rising by 4.2% to \$1,336,500. Of the 1,691 sales reported by REIA, houses in this zone were sold at prices between \$975,500 and \$1,844,000.

Middle Melbourne's median house price experienced an increase of 3.5% over the quarter, increasing to a median price of \$861,500. There were 3,032 house sales reported during the three month period, all of which were sold for between \$620,500 and \$1,216,500.

Outer Melbourne's median house price increased by 1.1% over the quarter to \$572,000. The REIA reported 4,963 sales over the three months to September, with prices of these properties ranging from \$431,500 and \$714,500.

The twelve months to September resulted in strong annual growths in all three Melbourne zones. Inner Melbourne prices increased by 8.8% over the year, followed by an increase of 8.3% in Outer Melbourne median prices and 5.0% in Middle Melbourne.

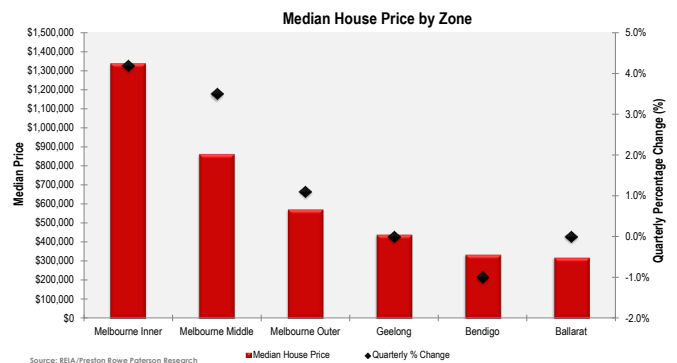


Chart 16 – Median House Price by Zone – Source REIA

Median sales price of other dwellings in Melbourne increased by 2.1% over the September quarter to \$545,500. Inner Melbourne increased by 3.5% over the quarter to \$569,500. There were 2,302 sales over the three months, with prices of these dwellings ranging from \$431,00 to \$753,000.

Middle Melbourne experienced a decline of -0.8% over the quarter to \$587,500. 1,820 sales were recorded, with houses selling for prices in the range between \$430,500 and \$793,500. Outer Melbourne median prices increased by 3.8% over the quarter to \$441,000. REIA reported 1,089 sales, with prices ranging between \$346,000 and \$566,500.

On a year-on-year basis, Melbourne experienced positive annual changes, with Outer Melbourne leading the increase with a 5.7% annual increase in prices. Inner and Middle Melbourne followed, with a respective increase of 2.8% and 2.6%.

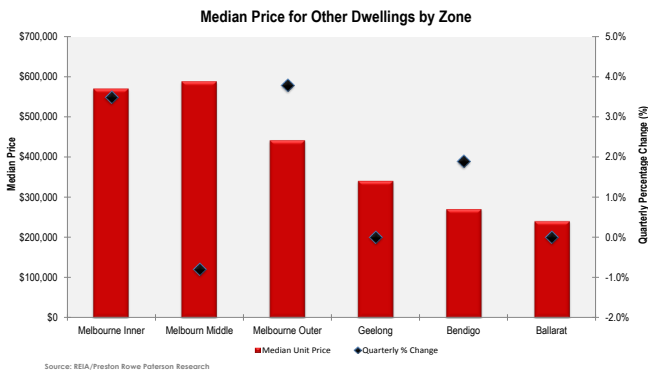


Chart 17 – Median Price for Other Dwellings by Zone – Source - REIA

Rental Market

Over the September quarter, median weekly rent declined in Inner Melbourne’s rental market, albeit staying mostly unchanged in Middle and Outer Melbourne. 2, 3 and 4 bedroom units in Inner Melbourne experienced declines of –1.8%, –4.1% and –1.7%, respectively, in their median weekly rents. Their respective median weekly rent stand at \$550, \$700 and \$875.

Middle Melbourne’s rental market remained unchanged over the September quarter. Median weekly rents for 2, 3 and 4 bedroom houses remain at \$420, \$470 and \$600.

Outer Melbourne’s 2 bedroom houses experienced a 3.2% increase in their weekly rents over the quarter. Median weekly price increased to \$320. Weekly rents for 3 and 4 bedroom houses did not change over the quarter, remaining at \$350 and \$400 respectively.

Year-on-year analysis of median house rents in Melbourne revealed an overall positive change. Middle Melbourne’s 3 bedroom houses experienced the largest increase of 4.4%. In contrast, Inner Melbourne’s 4 bedroom houses experienced a decline of –2.8%.

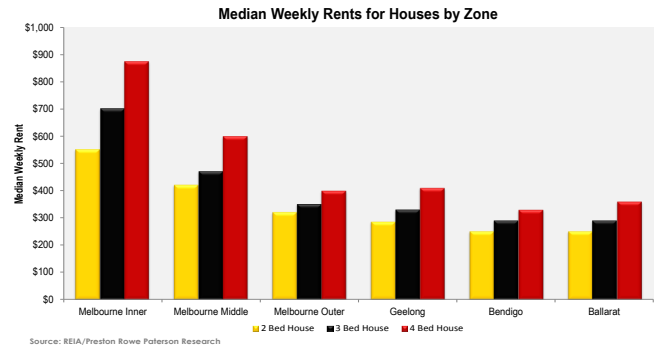


Chart 18— Median Weekly Rents for Houses by Zone – Source - REIA

Mixed changes in weekly rental prices were recorded in Melbourne’s other dwellings over the September quarter. Inner Melbourne’s 1 and 3 bedroom units both experienced a decline of –2.7% over the quarter, with their respective rental price decreasing to \$360 and \$730 per week.

Middle Melbourne’s unit market experienced positive growth in their weekly rent. 1, 2 and 3 bedroom units increased by 1.7%, 2.6% and 4.2% respectively. Their respective median rent per week stand at \$300, \$390 and \$500.

Outer Melbourne also experienced positive movements in their weekly rents. 1, 2 and 3 bedroom units experienced growths of 4.2%, 3.2% and 1.4% respectively. Their median weekly rents stand at \$250, \$320 and \$365.

Over the year, the largest annual increase in rents stemmed from Middle Melbourne’s 3 bedroom units with an increase of 5.3%. On the other hand, Outer Melbourne’s 1 bedroom units experienced a decline of –3.8%, the largest year-on-year decrease recorded.

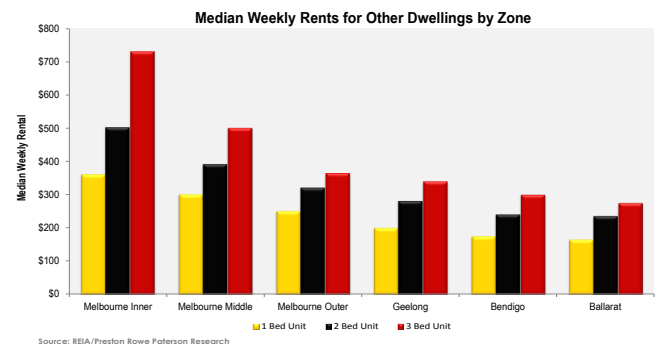


Chart 19 - Median Weekly Rents for Other Dwellings by Zone – Source - REIA

GEELONG



Market Affordability

Over the September quarter, the median house price remained unchanged at \$440,000. This figure represents an annual increase of 4.8%. Other dwellings in the area also remained stable over the three months to September, remaining at \$340,000. This figure represents a 0.4% increase from twelve months prior.

Rental Market

Geelong's 2, 3 and 4 bedroom houses all experienced increases in their weekly house rents over the quarter. Their respective changes of 1.8%, 3.1% and 2.5% over the quarter has increased weekly rents to \$285, \$330 and \$410, respectively.

In contrast, Geelong's other dwelling experienced declines in their weekly rent. Weekly rents for 1 and 3 bedroom units declined by -2.4% and -2.8% respectively, bringing figures down to \$200 and \$340 per week. Weekly rents for 2 bedroom unit remained stable at \$280 for the quarter.

BENDIGO



Market Affordability

Bendigo's median house price decreased by -1.0% over the quarter down to \$335,000. Over the same period, Bendigo's median other dwelling sale price increased by 1.9% to \$270,000.

Rental Market

Bendigo's 3 and 4 bedroom house experienced increases in their weekly rental prices, by 3.6% and 1.5% respectively. Their median weekly price increased to \$290 and \$330, respectively. Rental prices for 2 bedroom houses in Bendigo remained stable at \$250.

Bendigo's other dwellings experienced mixed changes in their weekly rental price. 1 bedroom dwellings declined by -2.8% to \$175 per week. Weekly rental prices for 2 and 3 bedroom units did not change over the quarter, remaining at \$240 and \$300 respectively.

BALLARAT



Market Affordability

Median house price for Ballarat did not change over the September quarter, remaining at \$320,000. This price reflects an annual decline of -0.3%. Ballarat's median price for other dwellings also remained unchanged at \$240,000 over the quarter, though this price reflects a decline of -2.0% over the year.

Rental Market

Ballarat's rental market performance relatively well compared to last quarter. Weekly rent for 3 and 4 bedroom houses increased by 3.6% and 2.9% respectively. Their respective rents stand at \$290 and \$360. Weekly rent for 2 bedroom houses remained unchanged at \$250.

2 and 3 bedroom other dwellings in Ballarat increased by 4.4% and 1.5%, respectively, over the quarter. Their respective median rent per week is at \$235 and \$275. 1 bedroom units in Ballarat remained unchanged at \$165 per week.

SPECIALIZED PROPERTY MARKET

Investment Activity

Preston Rowe Paterson Research recorded the following specialized property transactions that occurred in Victoria during the December quarter 2016:

16-32 Leicester Street, Carlton, VIC 3053

Redefine Properties has acquired a car park from the Lim Family for **\$30 million**. The buyer will develop the 6-level car park on a 2,040 m2 site into a \$130 million, high-rise student accommodation complex with around 700 beds. The sale reflects a **rate of \$14,705.88 psm or about \$42,857.14 per bed**. Carlton is located around 1.9 km north-west of the Melbourne CBD.

370 Grubb Road, Wallington, VIC 3221

Lifestyle Communities has bought a site within the **Kingston Estate** for **\$12.6 million**. The company will likely be affordable housing for over-50s. Wallington is located around 94.3 km south-west of the Melbourne CBD.

670-690 Princes Highway, Berwick, VIC 3806

The **Berwick Brae Aged Care Facility** has been sold by *Pellicano* to *Royal Freemasons* for **over \$7 million**. The facility contains 66 homes that were built in 1982 and 10 brand-new independent-living apartments. The nine-acre property has some vacant land that has the potential for future development. The sale reflects a **rate of more than \$192.19 psm**. Berwick is located around 44.6 km south-east of Melbourne's CBD.

HOTEL & LEISURE

Investment Activity

Preston Rowe Paterson Research recorded the following hotel/leisure property transactions that occurred in Victoria during the December quarter 2016:

263 William Street, Melbourne, VIC 3000

Bobby Zagame has sold **The Metropolitan Hotel** to a private investor for **\$8.61 million** on a **yield of 2.38%**. The 637 m2 of lettable area pub was

built in 1834 and features a lounge downstairs, a modern rooftop bar and a refined bistro. The sale of the 370 m2 site reflects a **rate of \$23,270.27 psm**.



1143-1153 Raglan Parade, Warrnambool, VIC 3280

The Raffle's Tavern has been acquired by a private investor for **\$5.7 million** at auction. The 5,660 m2 corner site is on a new 10-year lease with options to 2056. The pub comprises a public bar, 250-seat bistro, 19 gaming machines, commercial kitchen, bottleshop and new boutique bar. The 1,524 m2 building was refurbished in 2013 and extended in March 2016. The sale reflects a **yield of 7.3%** and a **rate of \$1,007.07 psm**. Warrnambool is located about 253 km south-west of the Melbourne CBD.



REGIONAL MARKET

Rural

1551 Lismore - Pitfield Road, Wallinduc, VIC 3351

Alastair Wills has paid **\$17 million** to Graeme Croft for a 2,200-hectare farm. The farm has been developed, renovated and extended by the previous owner. The rural property comprises 12,000 breeding ewes for lamb production, a cattle fattening system turning over 5,000 head per annum, a 350 sow piggery and around 750-hectares of crops. The purchaser is planning to return the farm to its initial purpose of pure cropping use. This will involve growing wheat, oats, barley and granola. The sale reflects a **rate of \$7,727.27 per hectare**. Wallinduc is located about 154 km west of the Melbourne CBD.

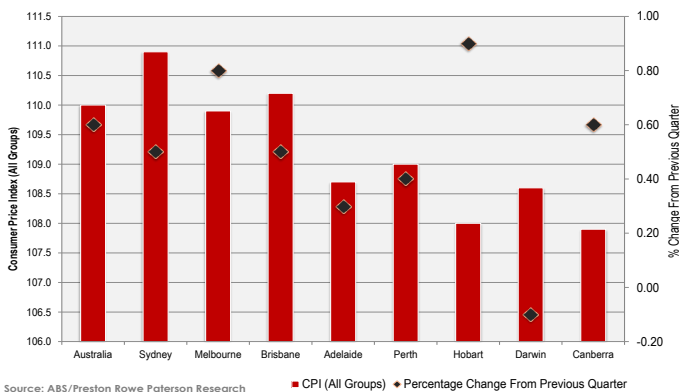
Economic Fundamentals

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%).



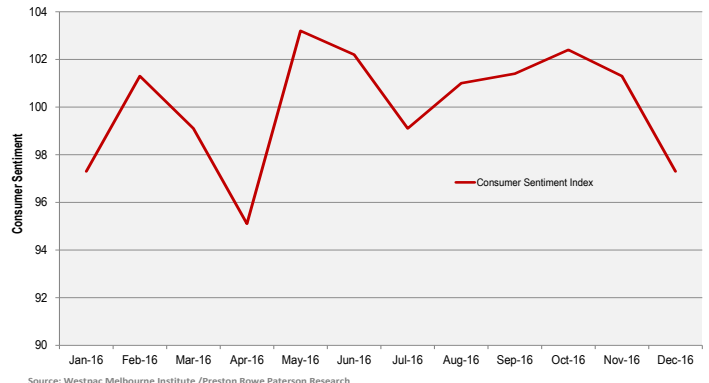
Source: ABS/Preston Rowe Paterson Research
 Chart 27—All Group CPI (Capital Cities) and Percentage Change from September 2016 to December 2016—Source—ABS

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.

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.



Source: Westpac Melbourne Institute /Preston Rowe Paterson Research
 Chart 28—Consumer Sentiment Index, 2016 Overview—Source—Westpac Melbourne Institute Survey

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%, and has risen ever since to the current quarter's contribution of 9.0%.

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).

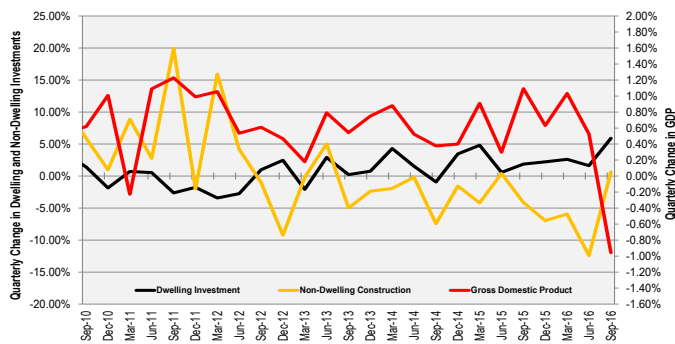


Chart 29— Percentage Change in Dwelling, Non-Dwelling Investments and GDP— Source: ABS

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.

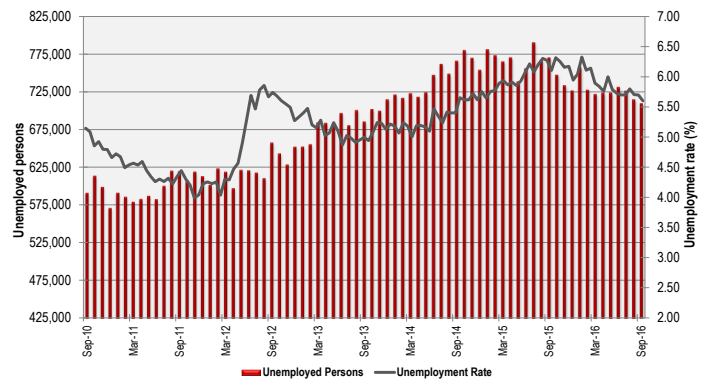


Chart 30— Unemployment Persons and Unemployment Rate, September 2010 to September 2016 — Source: ABS

	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 3— 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

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.

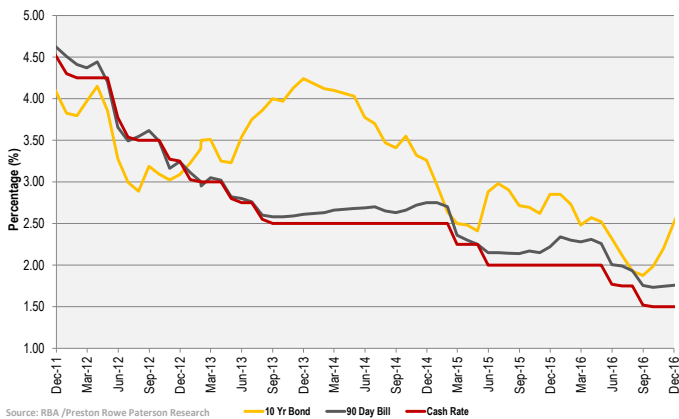
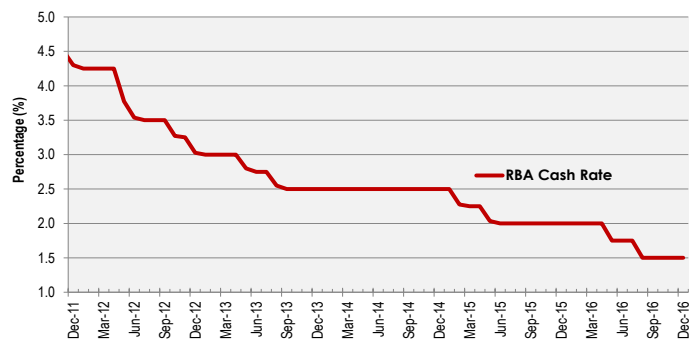


Chart 31— Movement of 90-day Bill, 10-year bond yields and Cash rate from December 2011 to Dec 2016— MONTHLY— Source: RBA

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.



Source: RBA /Preston Rowe Paterson Research
Chart 32— Movement of the Cash Rate from December 2011 to Present— Source: RBA

Exchange Rate

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.



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*

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- . 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 & 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

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- ◆ Hong Kong
- ◆ Japan
- ◆ Philippines
- ◆ Thailand

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