Preston Rowe Paterson

International Property Consultants and Valuers

Property Market Report

Victoria

Q3 2019

Highlights

Melbourne's residential market has rebounded by 4.5% over the quarter to a median price of $830,000.

Melbourne's CBD office vacancy rates continue to remain near record low levels, almost unchanged at 3.3%.

Victoria's retail turnover recorded a year-on-year increase of 2.5% supported by the largest population growth of all the states.

Melbourne's industrial market is experiencing strong land value growth which is also placing an upward pressure on rents.

IN THIS ISSUE

Economic Snapshot

Preston Rowe Paterson
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Cash Rates (%)

0.75	1.0	1.5
Oct 2019	Sept 2019	Sept 2018

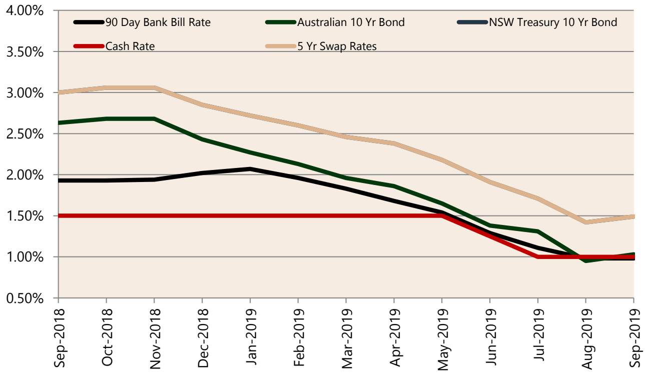
Consumer Price Index Australian All Groups*

Sept 2019
115.4
+0.5%^

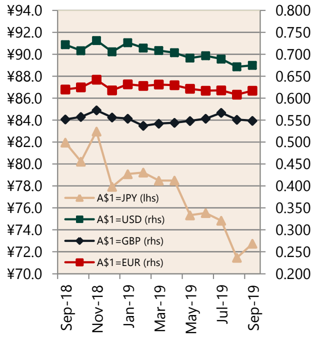
Jun 2019
114.8
+0.6%^

Mar 2019
114.1
+0.0%

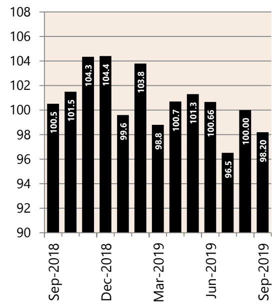
Interest Rates



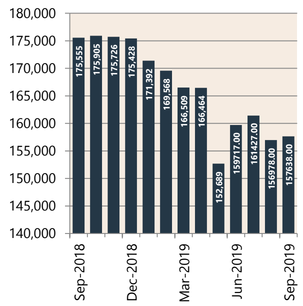
Exchange Rates (per $A)



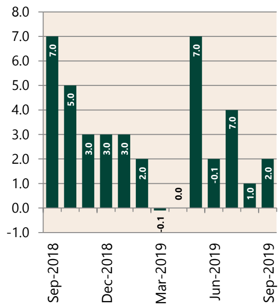
Westpac - Melbourne Institute Consumer Sentiment Index



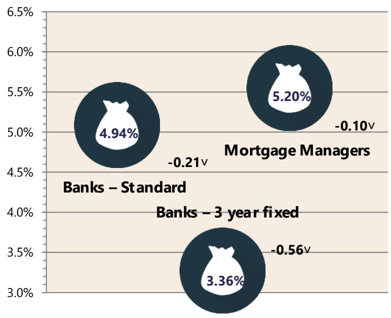
ANZ Job Series (Newspaper and Internet Job Ads)**



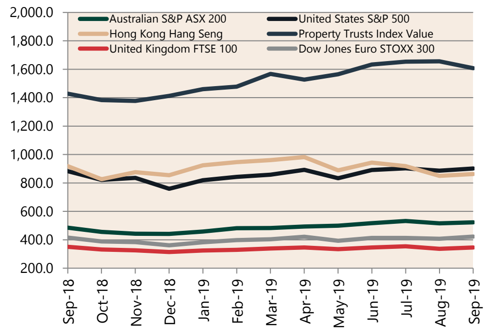
NAB Business Confidence Index***

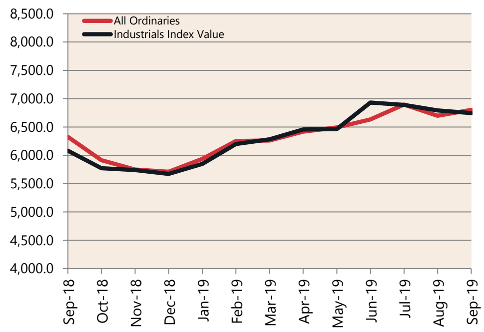


Housing Loan Lending Rates Indicator

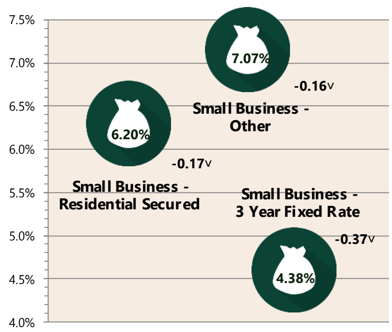


Share Prices and Indices

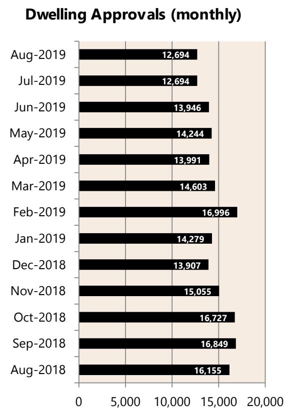


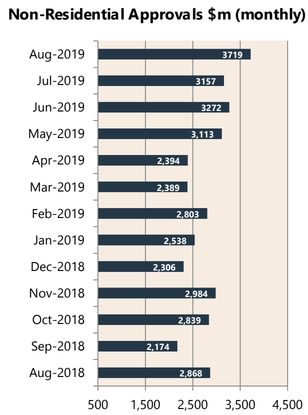


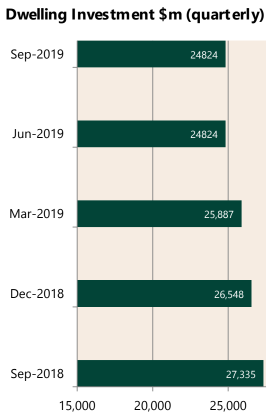
Business Loan Lending Rates Indicator



Private Sector Dwelling Approvals & Investment







^ percentage change from previous quarter
* Based on ABS CPI released 31 July 2019
** Based on ANZ Job Advertisement Series released 8 October 2019
*** Based on NAB Monthly Business Survey released 8 October 2019
# Date of Publication figures based on those available at 16 October 2019

N.B. This data is compiled using publicly available publications which are produced in arrears to the current month.

Office Market

Melbourne CBD

Net Absorption

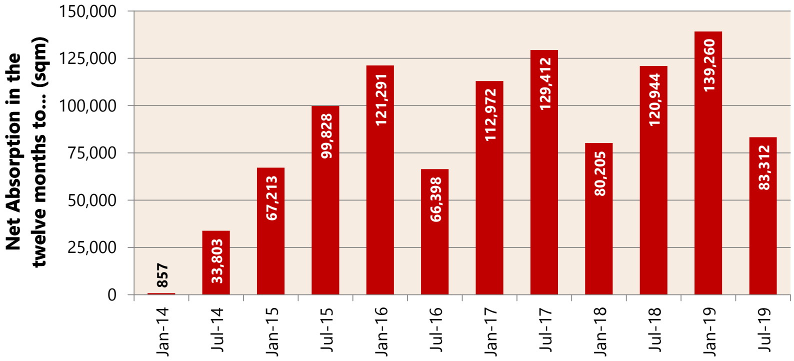


Chart 1— Melbourne CBD Net Absorption
Source: PCA / Preston Rowe Paterson Research

Tenant Demand & Vacancy Rates

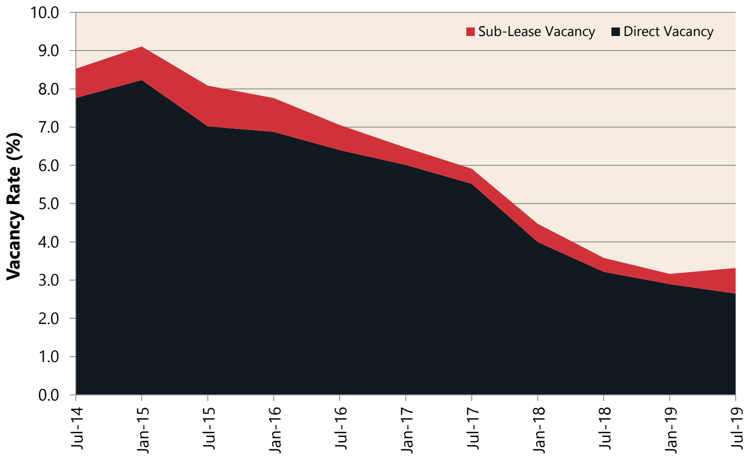


Chart 2— Melbourne CBD Office Vacancy Rate
Source: PCA / Preston Rowe Paterson Research

The Melbourne CBD's recent run of strong net absorption has ended, with current net absorption sitting at 8,244 sqm for the 6 months to July 2019 and 83,312 sqm year on year. This, after having peaked at 75,068 sqm for the 6 months to January 2019 and 139,260 sqm year on year.

However, this can also reflect that the Melbourne office market is now starved of options from the long period of high net absorption. Which can be seen in the solid levels of pre-commitment, 68.40% of all new construction is pre-committed for 2020 and 58.25% pre-commitment for full refurbishments.

While yield compression has slowed in the Melbourne CBD, investment activity is still on record pace with sales volumes totalling $2.8 billion for the year so far.

Vacancy rates in the Melbourne CBD continues to remain at record low levels, almost unchanged at 3.3% for the 6 months to July 2019, compared to 3.2% for January 2019.

This is primarily due to the large amount of withdrawals (162,812 sqm for the 12 months to July 2019) rather than net absorption levels. Driven by a demand by tenants for quality, the withdrawal of secondary stock for refurbishment has further contributed to the already limited supply of quality space.

A surge of new office development could however help to alleviate vacancy rates, with 350,117 sqm of stock expected in 2020 and a further 238,853 sqm expected for 2021+.

Refurbishment Sites

Project	Address	Location	Refurbishment Type	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
Flinders Gate II	189-195 Flinders Lane	Melbourne CBD	Full	Construction	DEXUS Property Group	3,500	Q3 2019
AMP Centre	750 Collins Street	Melbourne CBD	Full	DA Approved	The GPT Group	35,867	Q4 2020
QV 2	222 Lonsdale Street	Melbourne CBD	Partial	Construction	QV Pty Ltd (Grocon/ING Real Estate)	10,634	Q1 2020
Collins Place	35 Collins Street	Melbourne CBD	Partial	Construction	AMP Capital	8,000	Q3 2019
385 Bourke St	385 Bourke St	Melbourne CBD	Partial	Complete	Dexus Property Group	2,572	Q2 2019
Victoria Police Centre	637 Flinders Street	Melbourne CBD	Full	Early Feasibility	Orchard Commercial Office Fund	25,716	Q4 2020
100 Queen Street	100 Queen Street	Melbourne CBD	Full	Da Approval	GPT	30,353	2021+
The Atrium	58-82 Queensbridge Street	Southbank	Partial	Complete	Karenlee Nominees P/L	4,500	Q2 2019
ORICA	1 Nicholson Street	East Melbourne	Partial	Complete	Charter Hall	2,700	Q2 2019

Chart 3— Refurbishment Sites in Melbourne CBD, East Melbourne and Southbank
Source: PCA / Preston Rowe Paterson Research

City Fringe

East Melbourne

Vacancy in the East Melbourne office market continues to push lower at 2.0% as of July 2019 from 2.3% as of January 2019. While B Grade office makes up almost half of the office stock in East Melbourne and its vacancy rate has condensed to 1.2%. The twelve months net absorption in East Melbourne recorded a marginal 387 sqm as at July 2019, following a negative net absorption of –2355 sqm over the twelve months to January 2019.

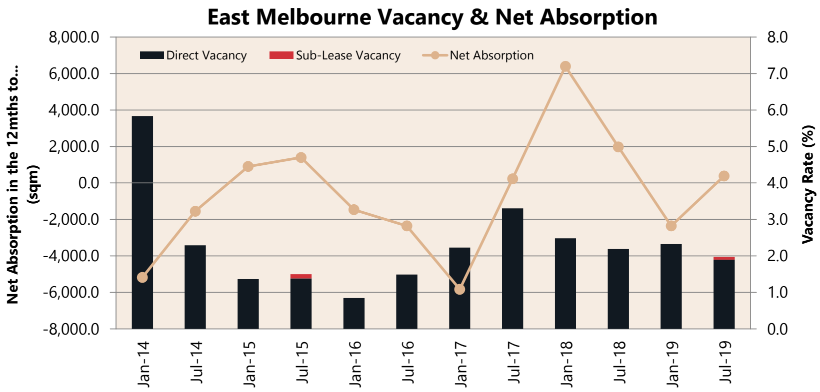


Chart 4— East Melbourne Vacancy & Net Absorption
Source: PCA / Preston Rowe Paterson Research

Southbank

The Property Council of Australia's latest Office Market report recorded an 1.7% increase in Southbank's office vacancy. As at July 2019 Southbank's office vacancy is at 12.4%. The largest portion of the vacancy in Southbank office market is in its A Grade offices with a vacancy of 10% as of July 2019. Preston Rowe Paterson Research notes that this may be caused by the continued negative net absorptions over the last month 12 months, -21.398 sqm since July 2018 and –5,392 since January 2019.

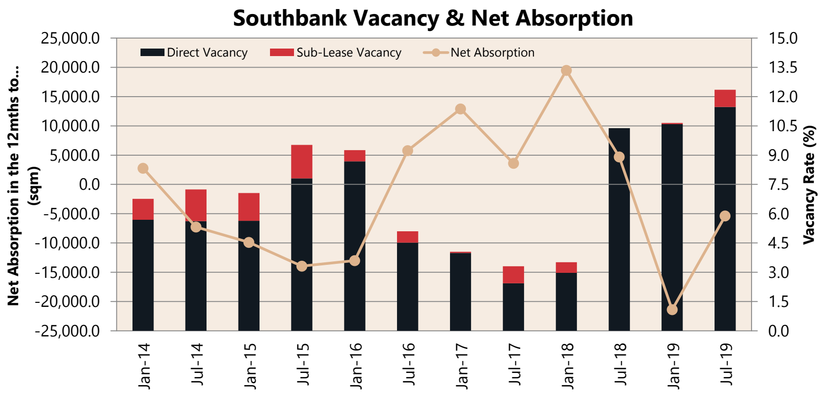


Chart 5— Southbank Vacancy & Net Absorption
Source: PCA / Preston Rowe Paterson Research

St Kilda Road

The St Kilda Rd office market twelve months net absorption has slipped into the negative after consecutive periods of positive absorption, recording a –8,431 sqm net absorption over the first half of 2019. Despite the negative net absorption, vacancy rates tightened to 5.9% as of July 2019, of which 5.5% is direct vacancy and 0.4% is sublease vacancy.

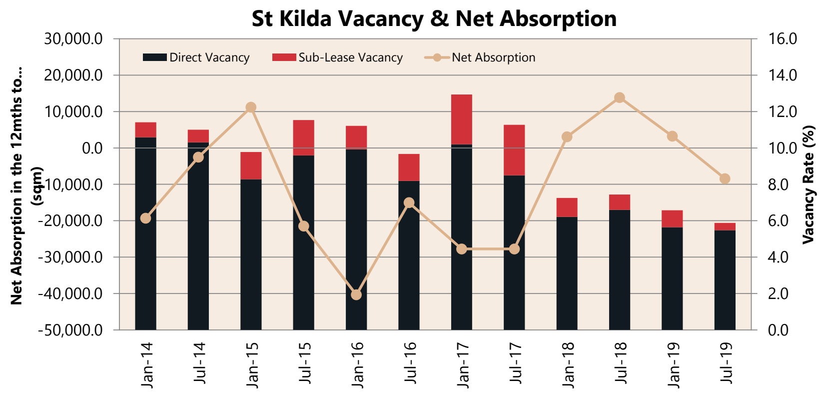


Chart 6— St Kilda Vacancy & Net Absorption
Source: PCA / Preston Rowe Paterson Research

Investment Activity

254 Wellington Road, Mulgrave VIC 3170

$110.9 million

5.8% Yield

$6,376 per sqmLA

Joint venture partners *ESR and Frasers Property Australia* have sold a suburban office property currently under development to Singapore real estate giant *Ascendas REIT*. The yet to be built eight level building will comprise 17,393 sqm of lettable area and will house **Nissan** as its major tenant who will occupy 65% of the new building on a 10 year lease.

90-96 Maribyrnong Street, Footscray VIC 3011

$33.11 million

6.7% Yield

$5,117 per sqmLA
$6,547 per sqmLA

Platinum Partners has acquired the former Lonely Planet offices on the Maribyrnong River from the *Chris Lock*, the former chief executive of Liberman Group. The three-level red-brick factory building comprises 6,470 sqm of net lettable area and served as the global headquarters of the travel guide publisher, Lonely Planet from 2000-2016. The property, which has been transformed into a co-working hub is fully leased to seven tenants and has a weighted average lease expiry of 6.5 years.

Retail Market

Retail turnover statistics from the Australian Bureau of Statistics indicate that the total retail turnover for Victoria increased by 0.4% over the quarter to September 2019. The seasonally adjusted turnover for September 2019 in Victoria is $7.222 billion, representing a 2.5% increase over the year. All of the major retail groups experienced positive year-on-year growth. Clothing, footwear & personal accessories performed best amongst the retail categories, increasing by 5.61% over the year.

Although tightening discretionary spending has put pressure on some retailers, strong population growth in Victoria has supported the overall Melbourne retail market. Supported by overseas migration, interstate migration and natural births; Victoria recorded the largest population growth compared to the other states, at 2.5% year on year.

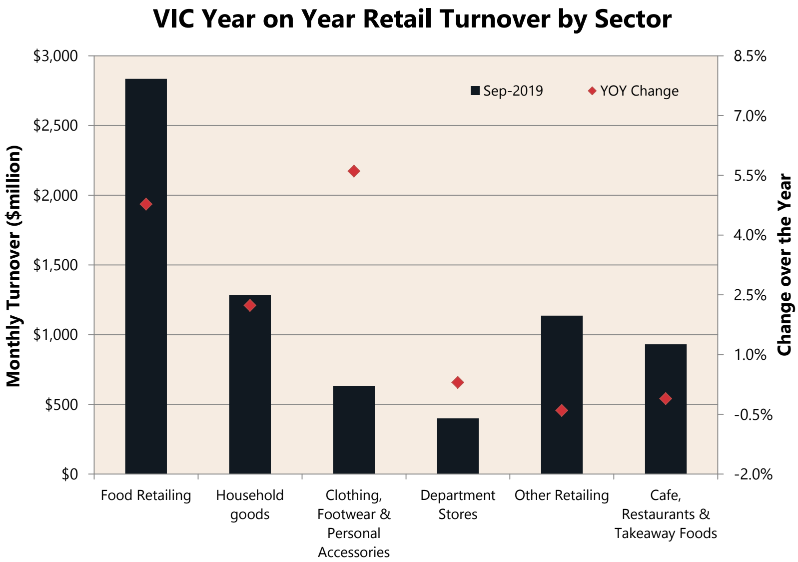


Chart 7— VIC Year on Year Retail Turnover by Sector
Source: ABS / Preston Rowe Paterson Research

Investment Activity

Corner Tooronga Road and Toorak Road, Glen Iris VIC 3146

$63 million

6.66% yield

$7,000 per sqm lettable area

Stockland have continued their sell-down of retail assets through the sale of Tooronga Village Shopping Centre as part of a broader shift in strategy across its diversified business. As of February the developer had sold $600 million worth of retail assets and would look to sell $400 million more, as they push to boost their weighting towards logistics and industrial property. The mall generates an annual income of $4.2 million and comprises 9,000 sqm of retail space. The mall is anchored by **Coles** who occupy 4,139 sqm space and generate 45% of the total income. The are 31 other tenants in the building including **First Choice Liquor, Flight Centre, Bakers Delight, Dymocks and Amcal**. The retail property was acquired by *Newark Capital* on a 6.66% yield.

470-510 Princes Highway, Corio VIC 3214

$44.25 million

$2,265 per sqm lettable area

WA-based fund manager *Primewest* has purchased the Geelong Gate Lifestyle Centre on the Princes Highway. The 19,534sqm large format retail centre sits on roughly four hectares of land and is anchored by **Freedom Furniture, Chemist Warehouse, BCF and Fantastic Furniture.** Primewest raised $25 million in capital to acquire the property through its third Diversified Income Trust. The property benefits from a large 500 metre frontage to the Princes Highway and over 400 on grade car parks. Corio is located 9 km north of the Geelong CBD.

489-505 Toorak Road, Toorak VIC 3142

$80 million

$30,840 per sqm site area

Property developer *Bill McNee* has paid a whopping $80 million for the Village Way Shopping Arcade in Toorak Village. McNee bought the suburban mall in an off market deal from the *Allen family* who had owned the property for more than 100 years. The property is situated on a 2,594 sqm site and comprises a car park at rear and an arcade including 15 shops with tenants of note including Haigh's Chocolates, Mayan Craft, Sushi Gallery and Ethereal Wines. Mr McNee is considering a number of options for the site, which is a designated development site. The property sold on a land rate of $30,840 psm, which is almost double the $17,000 per sqm of site area an investor paid for a two-level building in Toorak Village two years ago. Toorak is located 5 km south-east of the Melbourne CBD.

Industrial Market

The continued growth of E-commerce coupled with a recent tight supply has bolstered investment for speculative development in the Melbourne industrial market. Supported by a strong Victorian economy that is being stimulated by a growing population and record infrastructure investment by the State government, particularly in the city's west. The strong growth of land values has also placed upward pressure on rents, particularly in areas like Melbourne's south east which has seen strong rental growth following a surge in land value.

Investment Activity

115-119 Salmon Street, Port Melbourne VIC 3207

$7.285 million

5.5% yield

$3,859 per sqm lettable area

An office/warehouse property leased to **Alliance Insurance Broking Service** has sold to a local investor. Alliance has a seven year lease with options over the 1,888 sqm building situated on a 2,043 sqm site. The building comprises a number of breakout spaces, gymnasium as well as 17 on-site car spaces. The property is located in the Fishermen's Bend Urban Renewal Precinct and sold at a net yield of about 5.5%. Port Melbourne is located approximately 5 km south-west of the Melbourne CBD.

420-426 Mount Dandenong Road, Kilsyth VIC 3137

$7.025 million

5.6% yield

$1,163 per sqm lettable area

A high net worth investor has acquired 2.03 hectare industrial site improved with 6,042 sqm factory/warehouse property leased to long term tenants **Caprice Paper Products.** The property features offices, amenities, a factory and warehouse, canopy and a 9,000sqm hardstand area. The property has a significant 83 metre frontage to Mount Dandenong Road and exposure to 18,800 vehicles passing daily. Caprice Paper Product signed a new five plus five year lease incorporating a rental of $454,200 per annum net plus GST with annual increases of 3%. Kilsyth is located approximately 36km east of the Melbourne CBD.

917 Boundary Road, Tarneit VIC 3029

$27.5 million

$65 per sqm site area

Frasers Property Australia has acquired a 42.62 hectare site in the city's outer west. The property last exchanged hands in December 2008 for $333,721 when it was bought by *Canemoon Investments*. The 8140% in capital gain for the vendors in less than 11 years reflected the rezoning of the land to industrial use. A DA has been lodged on the property for a multi lot industrial subdivision. Tarneit is located approximately 25 km west of the Melbourne CBD.

1-5 Lakeside Drive, Dingley VIC 3172

$19.75 million

$1,133 per sqm lettable area

Asia-based logistics platform *ESR* has sold a large industrial freehold site in Melbourne's south east to private developer *HB+B Property*. The 39,760 sqm site comprises three warehouses with a total lettable area of 17,431 sqm. Located immediately opposite the property is Moorabbin Airport and the Chifley Business Park. Dingley is located approximately 22 km south east of the Melbourne CBD.

7-29 Gladstone Road, Dandenong VIC 3175

$14.75 million

5.6% yield

$1,283 per sqm lettable area

An offshore investor has snapped up the head office for **Carpets Victoria** in an off market transaction. It is reported that the sale was buoyed by the anticipated arrival of Kafuland, which is set to occupy the neighbouring site next year. Under the current terms Carpets Victoria have six and a half years remaining on their lease thus negating any potential redevelopment in the near future. The 11,500sqm office/industrial facility stands on a 20,500sqm site and is situated with close proximity of the Eastlink and Monash Freeways. Dandenong is located approximately 30km south east of the Melbourne CBD.

Residential Market

Building Approvals

The total building approvals in Greater Melbourne increased marginally by 0.4% over the month to September 2019, to 3,519 approvals. This figure indicates a decrease of –3.96%% over the quarter. While, the total approvals for unit dwellings over the month to September 2019 jumped 9.9% (1,459 approvals), approvals is still down –47.79% than a year before (2,794 approvals) with total approvals for houses over the same period recorded a decline of –3.06% from 2,125 to 2,060 approvals and –5.4% month on month. Building approvals has seen a steady slow down since the peak of the construction boom, while the rebound in unit approvals appears to be a positive indicator that we have passed the bottom of the cycle, it is still too early to confirm given the long lag between approval and construction.

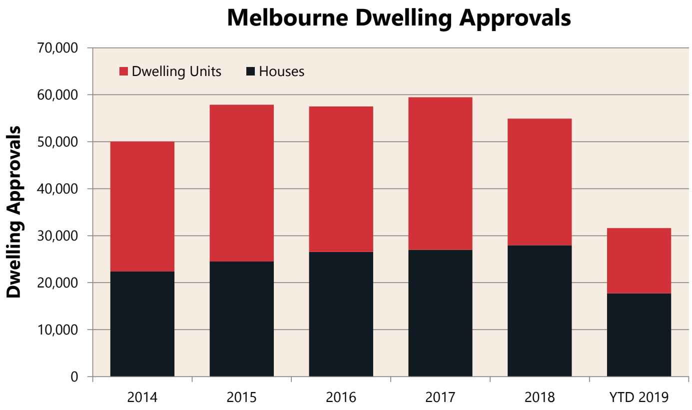


Chart 8— Melbourne Dwelling Approvals
Source: ABS / Preston Rowe Paterson Research

Greater Melbourne

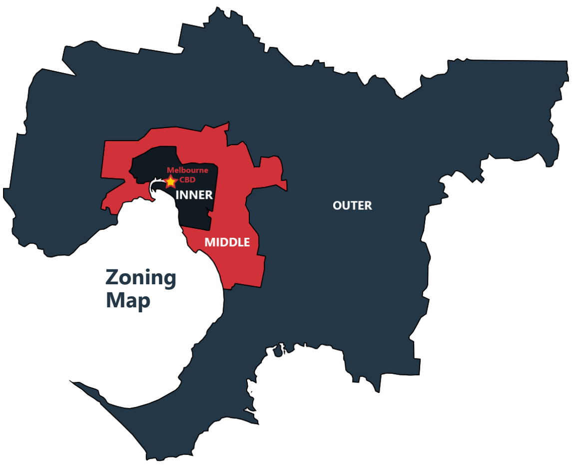


Chart 9— Greater Melbourne Residential Zoning Map
Source: Preston Rowe Paterson Research

Market Affordability

The Real Estate Institute of Australia (REIA)'s Real Estate Market Facts September 2019 reported that the median house price in Melbourne has rebounded by 4.5% over the quarter to a median price of $830,000. Melbourne's Inner, Middle and Outer zones recorded a rebound of 2.8%, 8.3% and 4.4% respectively to median house prices of $1,379,500, $$983.000 and $658,000. The market indeed appears to be in recovery, after finding it's bottom in June 2019 following the federal election and a series of interest rate cuts. Though there are still stark differences in the economy and volume of sales compared to the previous cycle.

The median price for units in Melbourne recorded a similar trend over the September 2019 quarter with an overall increase of 3.9% to $613.500, reflecting a year on year increase of 3.2% indicating that over the period, unit prices have responded more quickly than houses, which is still down -0.1% over the same period. Amongst the three zones, units in Inner, Middle, and Outer Melbourne all recorded an increase of 2.3%, 4.1%, and 4.7% respectively to a median unit price of $601,000, $680,000 and $519,500.

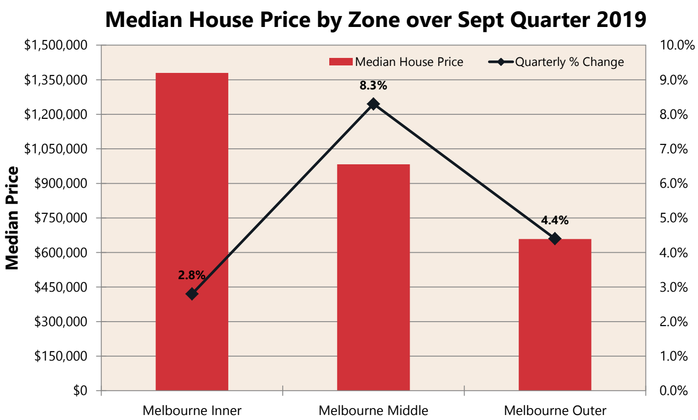


Chart 9— Greater Melbourne Median House Price
Source: REIA / Preston Rowe Paterson Research

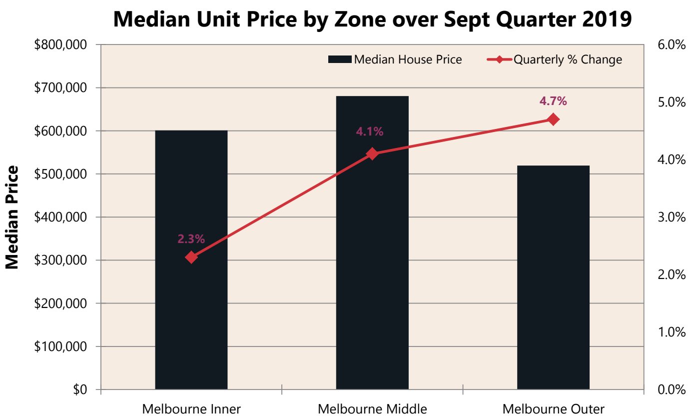


Chart 10— Greater Melbourne Median Unit Price
Source: ABS / Preston Rowe Paterson Research

Rental Market

Melbourne houses recorded a predominantly negative quarterly rental performance, while Middle Melbourne fell the most, with 2, 3 and 4 bedroom house weekly rents decreasing by -2.2%, -3.8% and -3.7% to $450, $500 and $650 respectively.

Inner Melbourne saw similar changes through the September quarter; with its 2, 3, 4 bedroom weekly house rents falling –0.8%. –3.3%, and –1.0% to $595, $754 and $960 respectively.

On the other hand, Outer Melbourne remained flat over the September quarter; with all 2, 3, and 4 bedroom house rents remaining at $350, $380, and $420 weekly.

Melbourne units mostly recorded unchanged quarterly rental price. Only the 3 bedroom unit in Middle and Outer Melbourne recorded a change of –0.6% to $530 weekly rent and 1.3% to $395 weekly respectively.

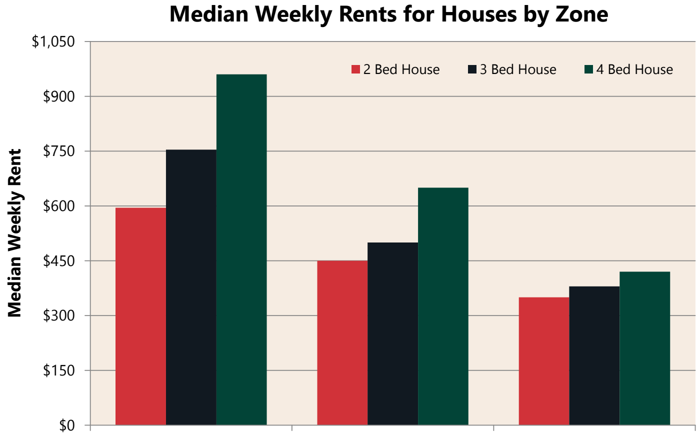


Chart 11— Greater Melbourne Median House Price
Source: REIA / Preston Rowe Paterson Research

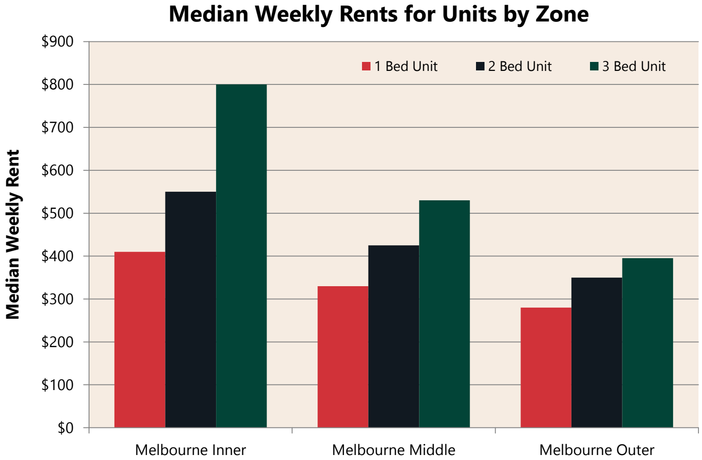
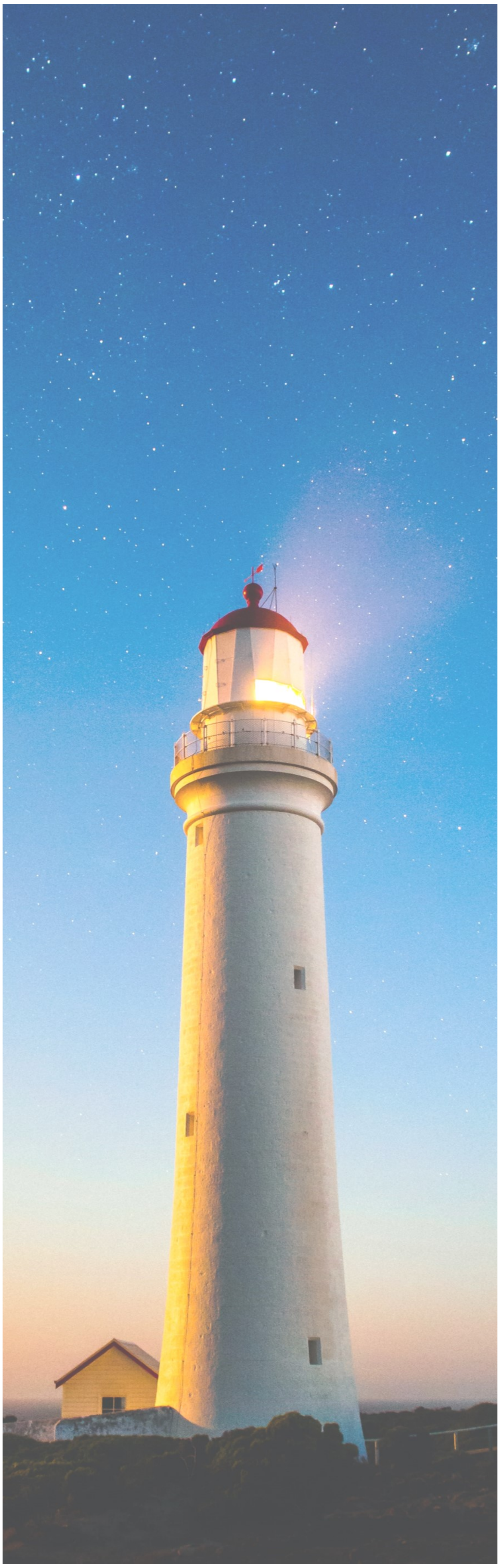


Chart 12— Greater Melbourne Median Unit Price
Source: ABS / Preston Rowe Paterson Research



Regional Victoria

Geelong

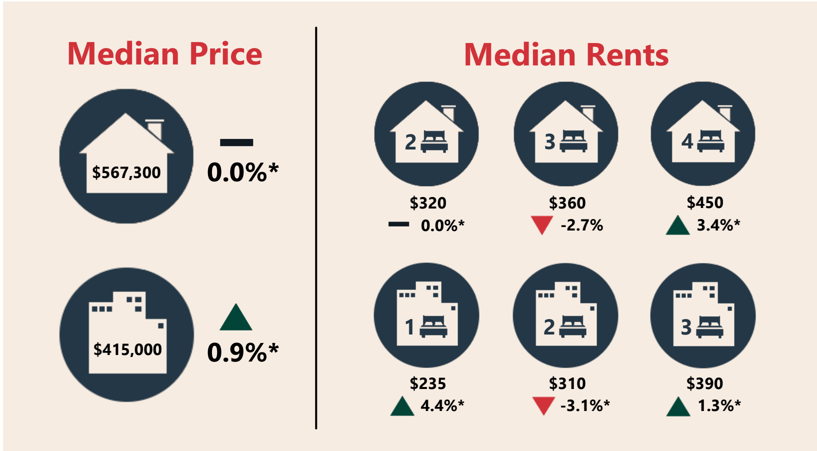


Chart 13— Geelong Median Price and Rents over September 2019 Quarter
Source: REIA / Preston Rowe Paterson Research
*Changes over the quarter to September 2019

The median price in Geelong has slowed over the September 2019 quarter, despite the continued positive performance over recent periods and a rebound in the nearby Melbourne residential market. Median house prices in Geelong have stagnated at $567,300, while units increased only marginally at 0.9% to $415,000 over the September quarter, though still representing a 4.1% and 2.5% increase year on year respectively. Geelong's rentals had a mixed performance over the September quarter, with weekly rent for 4 bedroom houses, 1 bedroom units and 3 bedroom units increasing 3.4%, 4.4%, and 1.3% to $450, $235, and $390 respectively. While decreases were seen in 3 bedroom houses and 2 bedroom units for –2.7% and –3.1% to $360 and $310. Meanwhile, only 2 bedroom house rents remained at $320 weekly.

Bendigo

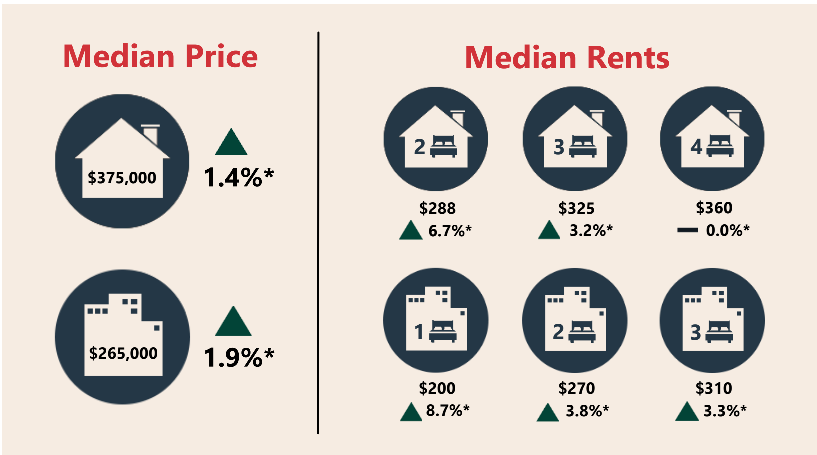


Chart 14— Bendigo Median Price and Rents over September 2019 Quarter
Source: REIA / Preston Rowe Paterson Research
*Changes over the quarter to September 2019

House and unit sales in Bendigo continues a strong performance over the September 2019 quarter with median prices increasing by 1.4% (to $375,000) and 1.9% (to $265,000) respectively. The median rents mostly increased, with 2 and 3 bedroom houses in Bendigo increasing by 6.7% and 3.2% to $288 and $325 weekly while 4 bedroom rent remained at $360 weekly. Unit weekly rents also increased for all 1, 2 and 3 Bedroom units in Bendigo by 8.7%, 3.8%, and 3.3% to $200, $270, and $310 respectively.

Ballarat

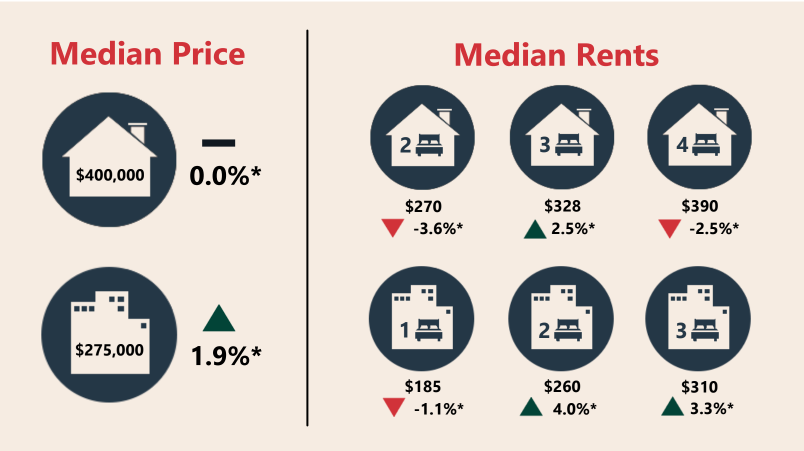


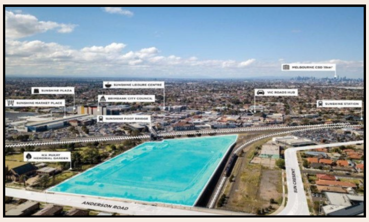
Chart 15— Ballarat Median Price and Rents over September 2019 Quarter
Source: REIA / Preston Rowe Paterson Research
*Changes over the quarter to September 2019

The median house price in Ballarat remains at $386,500 over the quarter, while the median unit price in Ballarat increased by 1.9% to $275,000 over the same period. However, year on year, median prices for house and units remain positive at 5.3% and 6.2% respectively.

Ballarat's median rents for houses of 3 bedrooms increased by 2.5% to $390 weekly. On the other hand, 2 and 4 bedroom house rents declined –3.6% and –2.5% to $270 and $390 respectively. While there was a similar mixed result for unit rents over the quarter; 2 and 3 bedroom unit rents increased by 4.0% and 3.3% to $260 and $310 weekly. Meanwhile, 1 bedroom units decreased –1.1% to $185. Overall though, Ballarat's rental growth still remains positive on an annual basis.

Residential Developments

112-116 Anderson Road, Sunshine VIC 3020



$33 million

$1,500 psm site area

Melbourne developer Michael Biviano has sold a recently approved industrial site in Melbourne's west to a local developer with overseas interest. The 2.2 hectare site was previously zoned recreational and used as a sports ground before Biviano pushed to change the zoning to residential. I. Located adjacent to the property is the Sunshine Train Station, which is set to benefit from the stations inclusion in the Melbourne suburban rail loop. The property is situated with in a Residential Growth Zone and has an approved Development Plan Overlay with a 30-metre height limit across approximately 60% of the site. The property has the capacity for more than 350 townhouses and apartments.

447 Bay Street, Brighton VIC 3186

$6 million

$5,769 psm site area

A private developer has acquired a 1,040sqm corner site with three street frontages for $6 million. The property, currently operating as a swim school, has development approval for the construction of 17 luxury apartments and ground floor retail. The property is leased to the Brighton Swim School on a short term lease returning $177,212 per annum. Brighton is located approximately 11 km south east of the CBD.

Luxury Residential

23 Huntingtower Road, Armadale VIC 3143

$4.35 million

$10,284 psm site area

A townhouse has sold $1.45 million over reserve in an aggressive auction which featured four active bidders. The townhouse comprises three bedrooms, two bathrooms and an internally accessed double garage. Finishes include gas fireplace, Smeg appliances, alarm system, video intercom, marble en-suite to the main bedroom and stone benches throughout the kitchen. The property is situated on a 423 sqm site and is located within close proximity to High Street. Armadale is located approximately 7 km east of the Melbourne CBD.

Specialised Properties

493 Ballarat Road, Sunshine VIC 3020

$8.6 million

7% Yield

$8,600 per sqm lettable area

Medical Centre

Melbourne doctor *Ian Folk* has sold a fully leased day hospital in Melbourne's west to a private investor through an expressions of interest campaign. The hospital, occupied by two tenants who specialise in gastroenterology and hepatology are on 10 year leases with options and occupy a combined total of 1,000 sqm in lettable area. The property also benefits from 21 onsite car spaces and a significant underlying landholding of 2,130 sqm.

80 Victoria Cross Parade, Wodonga VIC 3690

$4 million

4.98% Yield

$1,596 per sqm site area

Fast Food

A Hungry Jacks fast food outlet in northern Victoria has sold on a 4.98% yield, showing a sale price well above the guide of $3.65 million. The 2,507sqm corner site has approximately 109 metres of street frontage and comprises a 220 sqm fast food outlet, two entry/exit points, a drive thru facility and 29 on-site car spaces. **Hungry Jacks** recently signed a new 12 year lease with options to 2041.

157-159 Nepean Highway, Mentone VIC 3194

$5.6 million

4.69% Yield

$2,371 per sqm lettable area

Fast Food

A fast food outlet leased to **KFC** has sold to a local investor after a strong sales campaign that included 18 offers. The long 12 year lease term with options to 2043 currently returns $262,836 per annum and equates to an initial yield of 4.69% on the sale. The 240sqm property stands on a 2,362sqm site and comprises a drive thru facility and 35 on site car parks. The site which benefits from frontage to the Nepean Highway and Lower Dandenong Road is aslo located adjacent to a Hungry Jacks, United service station and a future mixed use development comprising 241 apartments plus ground floor retail. Mentone is located approximately 21km south east of the Melbourne CBD.

Hotels & Leisure

71 Racecourse Road, Pakenham VIC 3810

$16 million

7.5% Yield

$152,380 per game machine

Brisbane based fund manager *Stronghold* has acquired the **Cardina Club** from the *Pakenham Racing Club*. The gaming and hospitality venue comprises 1055 gaming machines, a bistro, sports bar and multiple function rooms. The property sold with a 14 year lease in place. The property is located on the site of the former Pakenham Racing Club, which has subsequently moved location further east to Tynong. Pakenham is located 56km south-east of Melbourne's CBD.

177 Station Street, Burwood VIC 3125

$5.95 million

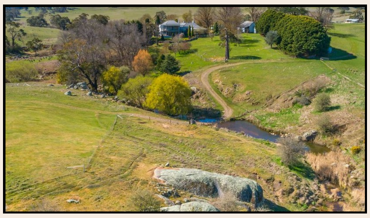
2.95% Yield

$1,472 per sqm site area

A 23 room Box Hill Motel in Melbourne's east has sold nearly $2 million above price expectations for close to $6 milllion. The property is leased to a motel operator on three year lease expiring in May 2020 with a further one year option. At the time of sale the property was producing a net income of $175,534 per annum plus GST. The motel, which stands on a 4,041 sqm site offers significant residential redevelopment potential under the provisions of General Residential Zone 3. Burwood is located approximately 14km east of the Melbourne CBD.

Rural

115 Sidonia Road, Pastoria VIC 3444



$6.75 million

$7,723 psm hectare

Veteran Macedon Ranges beef and lamb producers Gary and Vicki Hardwick have acquired the historic Woodlea Estate. The 875 hectare property features a historic six bedroom renovated homestead dating back to 1853. The rolling productive grazing slopes of land comprise 24 separate paddock, 15 dams, natural springs and double frontage to Pipers Creek. Improvements include a four stand shearing shed with good sheep handling facility, haysheds, workshop and silos. Pastoria is located approximately 80 km south east of the Melbourne CBD.

Property Funds & Capital Raisings

Charter Hall Prime Industrial Fund

$725 million—Capital Raise

The *Charter Hall Prime Industrial Fund (CPIF)* has raised $725 million worth of capital as they sought to reduce their exposure to retail property and put more money in to the industrial sector and more specifically e-commerce facilities. Logistic hungry domestic institutions and local investors who for the most part are underweight on logistics compared to their overseas counterparts provided a majority of the capital. The oversubscribed raise tipped the wholesale fund from a 60-40 weighting to offshore investors into a 50-50 split. The fund over the past three years to September 30 has made total annualised returns of 10.1%, which gives the $3.9 billion fund with a target gearing of 30% the capacity to grow more than $5 billion in size. In financial 2019, CPIF had a weighted average lease expiry of 10 years with 85% of the portfolio on a value basis located in Sydney, Melbourne and Brisbane. The existing land holdings also have the capacity to develop more than 650,000 sqm of new core logistics facilities with a $1.5 billion value on completion. Demand for prime industrial properties continues to be driven by companies seeking supply chain efficiencies through new automated facilities, record infrastructure spending and the continued growth of the e-commerce.

Preston Rowe Paterson
International Property Consultants and Valuers

Our Research

At Preston Rowe Paterson we take pride in the extensive research we prepare for the market sectors within which we operate in. These include Commercial, Retail, Industrial, Hotel and Leisure and Residential property markets, as well as Infrastructure, Capital, Asset, Plant and Machinery markets.

We have **property** covered.

We have **clients** covered

Preston Rowe Paterson acts for a diverse range of clients with all types of property needs, covering real estate, infrastructure, asset, plant and machinery interests, these include:

Accountants, auditors & insolvency practitioners
Banks, finance companies & lending institutions
Commercial & residential non-bank lenders
Co-operatives
Developers
Finance & mortgage brokers
Hotel owners & operators
Institutional investors
Insurance brokers & companies
Investment advisors
Lessors & lessees
Listed & private companies & corporations
Listed & unlisted property trusts
Local, state & federal government departments & agencies
Mining companies
Mortgage trusts
Overseas clients
Private investors
Property syndication managers
Real Estate Investment Trusts (REITS)
Rural landholders
Solicitors & barristers
Sovereign wealth funds
Stockbrokers
Superannuation funds
Trustee & custodial companies

We have **real estate** covered

We regularly provide valuation, advisory, research, acquisition, due diligence management, asset and property management, consultancy and leasing services for all types of Real Estate, including:

Metropolitan & CBD commercial office buildings
Retail shopping centres & shops
Industrial, office/warehouses & factories
Business parks
Hotels (accommodation) & resorts
Hotels (pubs), motels & caravan parks
Residential developments projects
Residential dwellings (houses/apartments/units)
Property Management
Rural properties
Hospitals & aged care
Special purpose properties
Extractive industries & resource based enterprises
Infrastructure including airports & port facilities

We have **asset, plant and machinery** covered

We regularly undertake valuations of all forms of asset, plant and machinery, including:

Mining & earth moving equipment/road plant
Resort & accommodation, hotel furniture, fittings & equipment
Office fit outs & equipment
Farming equipment
Transport equipment
Industrial/factory equipment
Licensed club furniture, fittings & equipment
Building services equipment (lifts, air conditioning, fire services & building maintenance equipment)

We have your **needs** covered

Our clients seek our property (real estate, infrastructure, asset, 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 & 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 & re-valuations
Rating and taxing objections
Receivership, Insolvency & liquidation valuations & support/advice
Relocation advice, strategies and consultancy
Rental assessments & determinations
Sensitivity analysis
Strategic property planning

We have all **locations** covered

From our capital city and regional office locations we serve our client's needs throughout Australia. Globally, we have three offices located in New Zealand, as well as associated office networks located in the Asia-Pacific region.

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Japan via Daiwa Realty Appraisal
http://daiwakantei.co.jp/eng/about

Thailand via Capital and Co.
http://www.cpmcapital.co.th/

Philippines via Cuervo Appraisal Incorporated
http://cuervoappraisers.com.ph/

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