Preston Rowe Paterson®
International Property Consultants

Office Market Report

Australian CBD

Second Half 2016

HIGHLIGHTS

- Over the ten years to January 2017, Australia's total stocks of office space increased by 22.6%, to over 25 million square metres of space. Of this total, roughly eighteen million square metres (or 71.2% of space) is homed in Australia's capital cities.
- In Sydney, a significant amount of office space have been withdrawn over the same period due to major infrastructure changes, refurbishments and conversions, which ultimately resulted in a net supply of -2,316 square metres over the six months to January 2017.
- Melbourne continues to benefit from strong economic and employment growth over the past twelve months, with this positive trend seeping into its commercial office market through a fall in its vacancy rates. In the six months, total office vacancy declined by 0.6% down to 6.4%.
- Strong demand for better quality office buildings around Canberra have led to an increase in capital expenditure spending by owners to upgrade their buildings. Consequently, net supply in the six months declined by 29,312 square metres.

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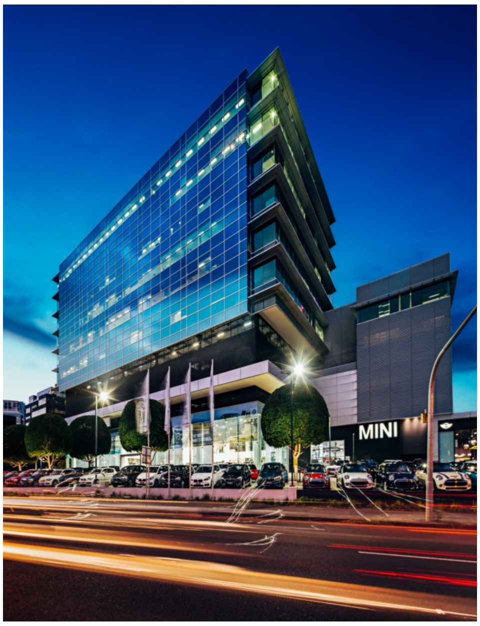

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Commercial Office Report

AUSTRALIA

Australia's office market has seen some remarkable changes over the past five years, with the inflow of capital from domestic and foreign investors dramatically inducing the construction of new offices spaces around the country. Over the ten years to January 2017, Australia's total stocks of office space increased by 22.6%, to over 25 million square metres of space. Of this total, roughly eighteen million square metres (or 71.2% of space) is homed in Australia's capital cities. Australia's office market has been dominated by A Grade buildings since 2006 (overtaking B Grade buildings from July 2006), with the current total stocks encompassing close to eleven million square metres (or 43.2% of total stocks) of A Grade buildings. Notably, total A Grade stocks increased by 48.5% over the ten years to January 2017. We note that the increase in Premium Grade stocks, notably in Australia's eastern states, have also been prominent over the past five years. Over the same period, figures point to an increase of 50% in Premium office space, reiterating the growing demand for high-quality office spaces, especially in the more economically robust eastern states. On the other hand, B Grade, C Grade and D Grade office stocks have experienced stagnant growth in their presence in Australia's office market. Over the five years to January 2017, B Grade stocks declined by 3.9% to seven million square metres (or 27.9% of total stocks), C Grade stocks declined by 10.11% to four million square metres (or 15.13% of total stocks), and D Grade stocks declining by 12.95% to eight hundred and forty thousand square metres (or 3.31% of total stocks).

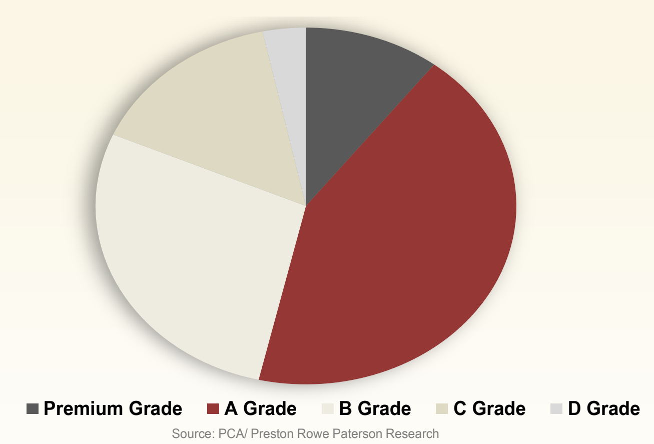

Chart 1— Australia office stock by Grade — Source: PCA

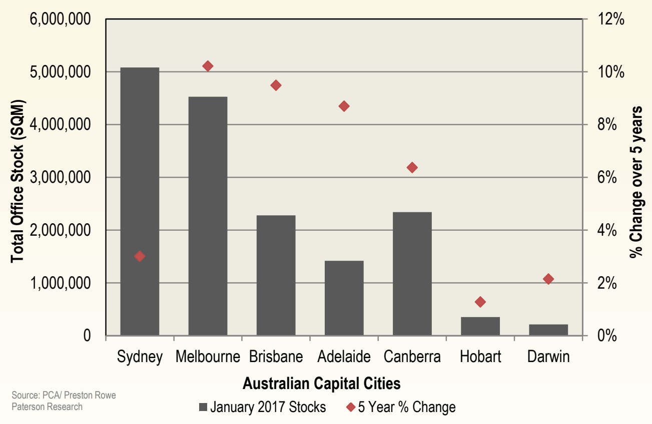

Chart 2— Office Stocks in Australia's Capital Cities as at January 2017— Source: PCA

Australia's total office stocks take up a little more than 1% of the developed world's office floor space, though it is quickly emerging as a favourable destination for overseas investors who are in search for quality properties that are well placed in a strong economy with high transparency and low political risks. In the six months to January 2017, there were more than five hundred thousand square metres of office space added onto Australia's office market, mitigated by three hundred and seventy thousand square metres of withdrawals over the same period. This ultimately results in a net supply of a little more than one hundred and thirty thousand square metres. Projected future supply, as estimated by the Property Council of Australia, sees an addition of nearly four hundred and eighty thousand square metres of office spaced to be added into Australia's office market by 2019+, with 65.6% of this space built in Australia's major capital cities. The largest commercial office developments currently underway are mainly located in the eastern capital cities of Sydney, Melbourne and Brisbane, however, we also note that there are prominent construction activities occurring in non-CBD areas around Australia in the coming years ahead.

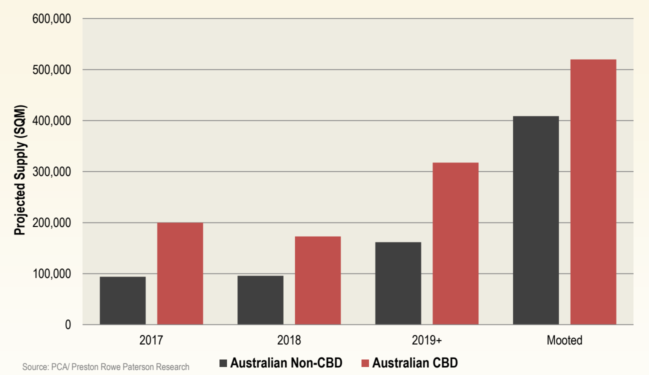

Chart 3— Future supply of office stocks, Australian CBD vs. Non-CBD— Source: PCA

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SYDNEY

OFFICE STOCKS

Sydney's office buildings continue to be one of Australia's most sought after assets by foreign and domestic investors alike. Its strong performance is reiterated by its lowest vacancy rates out of all major cities around Australia, as well as the large amount of office supply that is expected to enter Sydney's market by 2019. Sydney's office stocks mirror that of the rest of Australia in that it is predominantly A Grade stocks. For January 2017, A Grade stocks had increased slightly to 1,809,622 square metres. Over the same period, Premium Grade stocks also increased to 1,118,972 square metres. In contrast, B Grade, C Grade and D Grade offices experienced declines over the period. B Grade stocks currently stand at 1,439,949 square metres, C Grade stocks at 525,730 square metres and D Grade stocks at 185,626 square metres. Even though there has been a high volume of space added over the year to January, a significant amount of office space have been withdrawn over the same period due to major infrastructure changes, refurbishments and conversions throughout the Sydney CBD, which ultimately resulted in a negative net supply of -2,316 square metres.

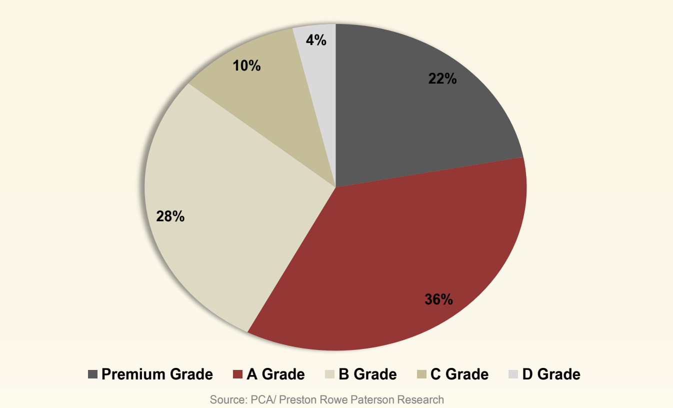

Chart 4— Sydney CBD stock by Grade — Source: PCA

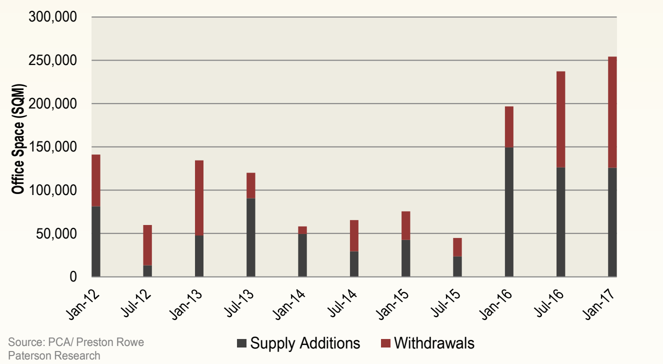

Chart 5— Sydney CBD Supply and Withdrawals— Source: PCA

VACANCY RATES

Total vacancy of Sydney CBD's office space increased over the half year to January 2017, by 0.6% to 6.2%. This increase was attributed to the increase in direct vacancy, which jumped 0.7% to 5.6% over the period. Sub-lease vacancy declined by 0.1% down to 0.6%. All office grades, except for D-Grade offices, experience increased in their vacancy rates over the six month period. Premium Offices experienced an increase of 1.1% in vacancy to 12.3%, whilst A, B and C Grade Offices increased to 4.2% (+ 0.2%), 4.0% (+0.6%) and 6.6% (+0.7%) respectively. D Grade buildings experienced a decline of 0.9%, down to 2.9% during the period. According to the Property Council of Australia, the decline in demand calls for the need to boost economic growth and encouragement of businesses to start up around the central business district in order to cater for the growing population in conjunction with remaining internationally competitive in the global economy. Net absorption over the twelve months to January for Sydney CBD was at 17,964 squares metres, a moderate number when compared to previous periods. The result of this is the 0.6% increase in vacancy rates to 6.2%.

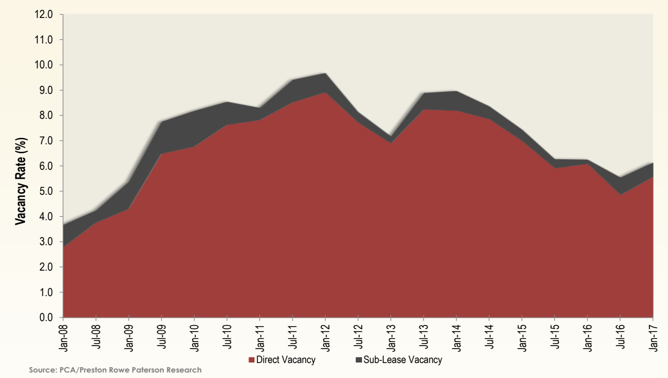

Chart 6— Sydney CBD Historical Vacancy Rates— Source: PCA

Demand for Sydney CBD's office stock has stemmed from a variety of sectors, including finance & insurance, government departments, technology companies and media & advertising. Notably, tech companies have taken up office spaces left behind by downsizing law firms, including Uber and Amazon, both of whom have signed tenancy deals to lease offices around the Sydney CBD. An increased number of small businesses have also demand Sydney office spaces over the year to 2017, of which the trend seems to be for these small businesses to move into more efficient and higher quality spaces in a much sought after location.

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INVESTMENT ACTIVITY

Preston Rowe Paterson Research recorded the following major sales transactions that occurred during the second half of 2016:

235 Pyrmont Street, Pyrmont, NSW 2009

Kador Group has bought an 8-level, 10,628 m2 of NLA office building for **$80 million** on a **sub-6% yield**. The B-grade property was extensively refurbished in 2011. Pyrmont is located 2 km west of Sydney's CBD.

303-305 Pitt Street, Sydney, NSW 2000

The *City of Sydney Council* has acquired a commercial building for **$43 million** that will be developed into a new civic boulevard. The 3,410 m2 building is nearly fully-leased with a WALE of over 3-years. The sale reflects a **rate of $12,610 psm**.

223 Liverpool Street, Darlinghurst, NSW 2010

Fidinam Australasia Real Estate has paid **$33 million** for a 4,477 m2 office building. There will be an extensive base building upgrade will be completed during 2017. The sale reflects a **rate of $7,371 psm**. Darlinghurst is located 1.5 km south-east of the Sydney CBD.

39 Martin Place, Sydney, NSW 2000

Transport for NSW has paid **$332 million** to the *DEXUS Property Group* and *DEXUS Wholesale Property Fund* for a B-Grade office tower. The 20-storey building was acquired by the NSW government for the Sydney Metro rail system. The property has six retail outlets, end-of-trip amenities and basement parking for 68 cars.

55 Clarence Street, Sydney, NSW 2000

An Asian Investment House has acquired a 14,888.1 m2, 96% occupied office tower for **close to $170 million**. The sale reflects an **initial yield of approximately 5.4%**. The B-grade property has a WALE of 2.2 years and 88 car bays over 3 levels. The building was completed in 1973 but has undergone extensive refurbishment between 1996 and 1998, with the foyer and lobby undergoing further refurbishment in 2005. The sale reflects a **rate of $11.419 psm**.

485-489 Elizabeth Street, Surry Hills, NSW 2010

A private trust has paid **$10 million** for a mixed-use property. The property comprises a recently refitted 5-storey office building and a renovated 2-level Georgian terrace on the one title. The 910 m2 office building has end-of-trip facilities, a kitchenette and amenities, as well as a secure car park. The 140 m2 terrace is heritage listed and can be used for residential or commercial purposes. The sale of the 404 m2 site reflects a **rate of $24,752 psm**. Surry Hills is located around 3 km south-east of Sydney's CBD.

92 Pitt Street, Sydney, NSW 2000

A private domestic investor has bought a 4,342 m2 office tower from *EG Funds Management* for **$52.17 million**. The B-grade, 14-level building has office space, ground floor retail and a basement restaurant. The property has 94% occupancy. The sale reflects a **rate of $12,015 psm**.

43-51 Brisbane Street, Surry Hills, NSW 2010

Marks Henderson has paid **$13.1 million** for a 2-level art deco office building. The property is leased by *Bates Smart* until January 2024. The property was recently renovated. The sale reflects a **yield of around 6.5%.** Surry Hills is located around 3 km south-east of Sydney's CBD.

33 Alfred Street, Sydney, NSW 2000

AMP has sold its headquarters to *AMP Capital Diversified Property Fund (ADPF)* and *AMP Capital Wholesale Office Fund* for **between $430 million and $460 million**. The sale of the 26-storey A-grade office tower comes after AMP group decided to move to the soon-to-be developer Quay Quarter Tower.

235 Pyrmont Street, Pyrmont, NSW 2009

Anton Capital has sold a heritage-converted office complex to *Kador Group* for **just over $80 million**. The 8-storey building comprises 10,399 m2 of space and is fully-leased to tenants including *Village Roadshow*, *JWT* and *Think Education*. The property was refurbished in 2011 and in 2014. The sale reflects a **yield of just below 6%** and a **rate of over $7,693 psm**. Pyrmont is located about 2 km west of Sydney's CBD.

28 O'Connell Street, Sydney, NSW 2000

Chubb Insurance has sold a 14-storey commercial building to *Coombes Property Group* for **$91 million**. The ACE Building has 6,109 m2 of net lettable area and occupies a 754 m2 site. *Coombes Property Group* own the adjoining property, which allows for an amalgamation of a 1,000 m2 site. The sale reflects a **rate of $120,690 psm**.

120 Chalmers Road, Surry Hills, NSW 2010

A 3-storey Art Deco-style building has sold to *Analypsi* for **around $12 million**. The site is on a short-term lease back to the vendor *Musica Viva* and there is another short-term lease to *Spotify*. The sale of the 1,500 m2 building reflects a **rate of about $8,000 psm**. Surry Hills is located around 3 km south-east of Sydney's CBD.

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287 Elizabeth & 136 Liverpool Streets, Sydney, NSW 2000

A Hong Kong private investor has acquired an inter-connected 5,856 m2 building with ground-floor retail and 10- levels of office space from *Citadin* for **$55 million**. The property is unlikely to be refurbished or redeveloped in the short-term. The building has a WALE of 3-years and features tenants such as *St George Bank*, *ACM Group*, *Grace Lawyers* and *7-Eleven* on ground-level. The sale reflects a **yield of 5%** and a **rate of $9,392.08 psm**.

210 & 220 George Street, Sydney, NSW 2000

Poly Real Estate has purchased two office buildings from *Anton Capital* for **$160 million**. 210 George Street is a 16-level, B-grade, office building with one level of retail shops. 220 George Street is a 13-level office building consisting of basement car parking and ground-floor retail. The fully leased income at March 2016 was $7.314 million. The purchaser may redevelop the sites into commercial properties.

36 Hickson Road, Sydney, NSW 2000

DEXUS Property Group has paid **$17.105 million** for the soon-to-be-vacated head-quarters of *Lendlease*. The 1,445 m2 site contains two historic bond buildings. One has 5-levels and the other has 3-levels. The property has 20 car spaces and is divided into 6-lots. The sale reflects a **rate of $11,837.37 psm**.

10-14 Quay & 775-779 George Streets, Haymarket, NSW 2000

Citadin has sold three commercial buildings to a Hong Kong family for **$42 million** on a **3.9% yield**. The property on Quay Street is a 6-storey building, while the properties on George Street are two 693 m2 heritage terraces. The sites have a mixed-use zoning but will likely be held. They are 98% occupied and occupy a total site of 1,207 m2. The sale reflects a **rate of $34,797.02 psm**.

DEVELOPMENT SITES

January's edition of the PCA's Office Market Report have reported that 6 new developments in the Sydney CBD will be completed within the next three years, ultimately supply the city with close to 360,000 square metres of Net Lettable Area after completion. The following table outlines details of the projects that are currently in the works within the Sydney CBD:

Project Name	Address	Stage of Development	Owner	Net Lettable Area(SQM)	Completion Date
333 George Street	333 George Street, Sydney, NSW 2000	Complete	Charter Hall (Core Plus Office Fund)	12,514	Q4 2016
Tower 1, International Towers Sydney	100 Barangaroo Avenue, Sydney, NSW 2000	Complete	Lendlease Corporation	103,041	Q4 2016
Central Park	100 Broadway, Sydney, NSW 2000	Construction	Frasers Property Group / Seksui House Australia	5,447	Q2 2018
Kindersley House	33 Bligh Street, Sydney, NSW 2000	DA Approved	Investa + Ausgrid	24,000	Mooted
Wynyard Place (DEV)	10 Carrington Street, Sydney, NSW 2000	DA Approved	Soveriegn Wynyard Centre Pty Ltd	56,000	Q2 2019+
275 George Street	275 George Street, Sydney, NSW 2000	DA Approved	LaSalle Investment Management	6,363	Q3 2018
Quay Quarter Sydney/AMP Precinct	(QQS) 2-10, 20 Loftus & 5-17 Young Streets, Sydney, NSW 2000	DA Approved	AMP Capital Investors (AMP Wholesale Office Fund)	90,000	Q3 2019+
(DEV) 60 Martin Place	60 Martin Place, Sydney, NSW 2000	Site Works	Investa Property Trust/Martin Place Wholesale Syndicate	38,600	Q3 2019+

Table 1 – Development Sites around Sydney CBD – Source PCA

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MELBOURNE

OFFICE STOCKS

Melbourne CBD continues to be dominated by A Grade office buildings, which takes up close to half of total office stocks in the city. B Grade stocks, albeit taking up the second most space in Melbourne with a share of 19.3%, continue to diminish as the city invests to turn its office market into a high quality market. Premium Grade stocks in the city have continued to increase over the past five years, with a share of 16.5% of total office stocks in Melbourne CBD, and are expected to overtake the supply of B Grade stocks in the coming few years. C Grade and D Grade stocks in Melbourne continue to experience a declining presence in Melbourne's office market, with a share of 12.1% and 2.6% of total stocks respectively. In the six months to January 2017, there has been an additional supply of 136,368 square metres of office space added onto Melbourne's office market, with the majority stemming from new developments that have been completed. Over the same period, 48,130 square metres of space was removed, through partial and full withdrawals, conversions to other space uses as well of demolition. Furthermore, over the twelve months to January 2017, net absorption in Melbourne CBD was at 117,253 squares metres.

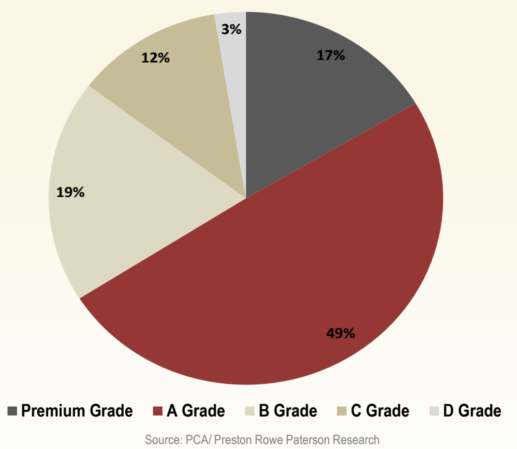


Chart 7— Melbourne CBD Office Stock by Grade — Source: PCA

VACANCY RATE

Melbourne continues to benefit from strong economic and employment growth over the past twelve months, with this positive trend seeping into its commercial office market through a fall in its vacancy rates. Over the six months to January 2017, total office vacancy declined by 0.6% down to 6.4%, and according to the Property Council of Australia, is "underpinned by positive demand and the withdrawal of older office buildings". This is attributed to by a decline of 0.4% in direct vacancy to 6.0% and a decline of 0.2% in sub-lease vacancy to 0.5%. The capital city's vacancy rate remains the second lowest amongst Australia's CBDs (behind Sydney) and is considerably lower than Australia's average of 10.5%. We note that population growth and migration of tenants from suburban and the city fringe have driven vacancy rates down to its level it is now, with tenant demand high amongst professional, scientific & technical services, financial & insurance services and accommodation & food services. Preston Rowe Paterson anticipates that the supply of office buildings in Melbourne will decline over the next few years, as more tenants move in and withdrawals take place, and this will ultimately increase rents and lower yields in the near future.

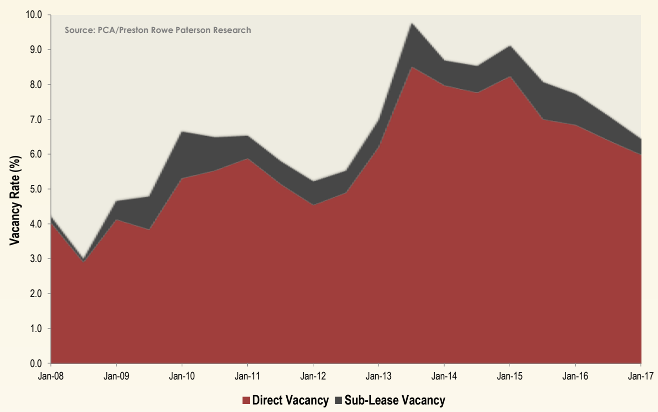


Chart 8— Melbourne CBD Vacancy Rates— Source: PCA

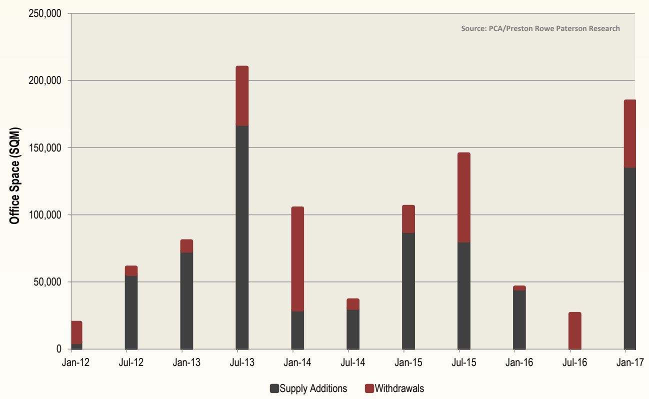


Chart 9— Melbourne CBD Supply and Withdrawals of Office Stock— Source: PCA

INVESTMENT ACTIVITY

Preston Rowe Paterson Research recorded the following major sales transactions that occurred during the second half of 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**.

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.

33 King Street, Melbourne, VIC 3000
Asia One has sold a 2-storey commercial building to *BPM* for **$12.35 million**. The previous owner secured a permit for 120 apartments to be built across 29-levels on the 350 m2 site. However, *BPM* will apply for an amended permit to construct a mixed -use development with a luxury hotel, café and restaurant, as well as penthouse apartments. The sale reflects a **rate of $35,286 psm**.

114 William Street, Melbourne, VIC 3000
Straits Real Estate has sold a commercial tower for **about $170 million** on a **yield of 5.3%**. The 26-storey, 21,000 m2 tower is fully leased. The sale reflects a **rate of around $8,095 psm**.

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:

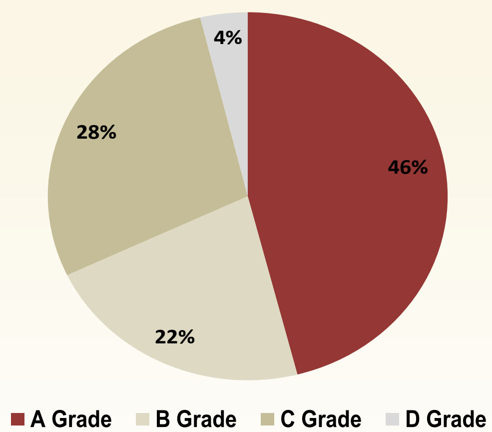
Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
664 Collins Street	664 Collins Street, Docklands, VIC 3008	Construction	Mirvac Group	26000	Q3 2017
One Melbourne Quarter	699 Collins Street, Docklands, VIC 3008	Construction	APPF Commercial	26400	Q3 2018
Melbourne 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

Table 2— Development Sites around Melbourne CBD – Source PCA

CANBERRA

OFFICE STOCKS

According to the Property Council of Australia, Canberra's office market is dominated by A Grade buildings, with a total coverage of just over 1 million square metres, or 46% of total stocks. Furthermore, there's 661,065 square metres of C Grade stocks, which approximates to 28.2% of total stocks available in Canberra. B Grade and D Grade office stocks follow, taking up a respective 514,088 square metres (or 21.9% of total stocks) and 89,558 square metres (or 3.8% of total stocks). Currently, there is no presence of Premium Grade office buildings in Canberra. Over the six months to January 2017, overall supply stood at 3,304 square metres. This was attributed mainly by the completion of buildings under refurbishment. Notably, there were 32,616 square metres of office space withdrawn from the market over the six month period, most of which have been withdrawn for refurbishment. There is a strong demand for better quality office buildings around Canberra, and building owners have acted swiftly to spend capital expenditure to upgrade their buildings in order to secure quality tenants. Consequently, net supply in the six months declined by 29,312 square metres.



Source: PCA/ Preston Rowe Paterson Research

Chart 10— Canberra Office Stock by Grade — Source: PCA

Vacancy Rates

Vacancy rate in Canberra slipped down by 0.4% to 12.6% over the six months to January 2017. Albeit still relatively high when compared with other eastern capital cities, we note that vacancy of office space has continued to fall since January 2015, where it peaked at 15.4%. Direct vacancy in Canberra dropped by 12.2% to 12.0%, whilst sub-lease vacancy declined from July 2016's 0.8% to the current rate of 0.6%. Furthermore, net absorption over the twelve months to January 2017 was positive at 8,080 square metres. However, net supply was at a negative -46,158 square metres, resulting in the decline in vacancy over the period. When looking at supply additions for the coming years, Canberra is expected to witness the entry of 22,988 square metres of new office stock as full refurbishments are expected to be completed and new construction to enter the market in 2017. The new space entering Canberra's market will create short term effect on its office market by ultimately pushing up vacancy rates over the next twelve months. Preston Rowe Paterson expects rental growth to remain stable with incentives to remain high as Canberra adjusts to filling up vacant offices. According to the Property Council of Australia's ACT Executive Director, Adina Cirson, there is a need to convert older office buildings to meet demand for high quality office spaces, as vacancy rates in the higher graded offices in Canberra less than half of secondary offices.

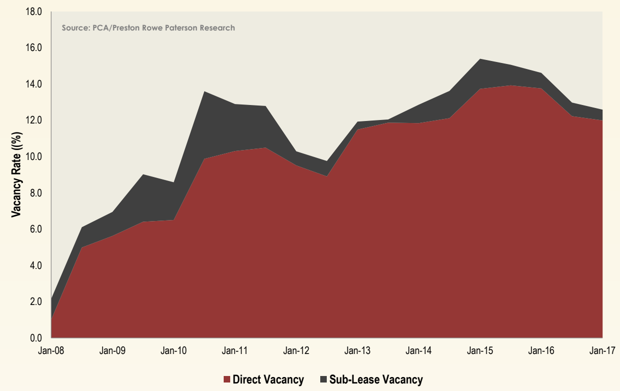


Chart 11— Canberra Vacancy Rates— Source: PCA

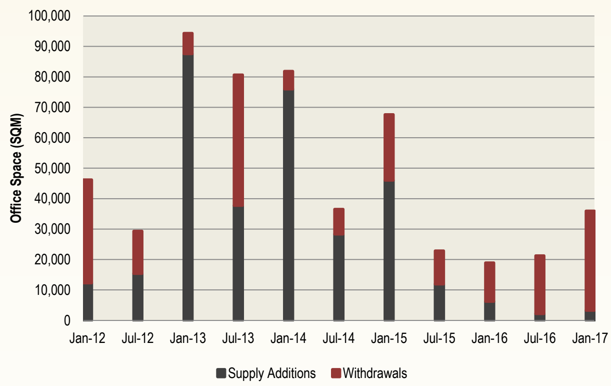


Chart 12— Melbourne CBD Supply and Withdrawals of Office Stock— Source: PCA

INVESTMENT ACTIVITY

Preston Rowe Paterson Research recorded the following major sales transactions that occurred during the second half of 2016:

490 Northbourne Avenue, Dickson, ACT 2602

BlackWall Telstra House Trust has sold an office building to *BlackWall Property Trust* for **$25 million**. The 8-floor building has a floor area of 8,700 m2 and about 4,000 m2 is leased to the ACT government and *WOTSO WorkSpace*. The sale reflects a **rate of $2,873.56 psm**. Dickson is located about 3.7 km north of Canberra's CBD.

8 Atlantic Street, Phillip, ACT 2606

Centuria has acquired the **Scarborough House** from *Indigenous Real Estate Investment Trust* for **$72.33 million**. The property is fully occupied with the federal health department taking up 16,499 m2 of space in the 16,782 m2 building. The health department's lease will expire in July 2025. The sale reflects a **passing yield of 7.24%** and a **rate of $4,310 psm**. Phillip is located about 10.5 km south-west of Canberra's CBD.

111 Alinga Street, Civic, ACT 2608

Prime Super has paid **over $80 million** to *Brookfield* for the **Infrastructure House**. The A-grade complex has 16,329 m2 of NLA, 7-levels of office space, ground-floor retail and commercial space, as well as 198 basement car spaces. The property has a WALE of 10-years and is occupied by the federal government. The sale reflects a **rate of more than $4,899 psm**.

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 and around Australia's capital city of Canberra:

Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
Pharmacy House	44 Thesiger Court	Site Works	Pharmacy Guild of Australia	1,235	Q1 2018
Block 22 Section 112 Symonston	2 Faulding Street	Construction	Evri Group	1,600	Q2 2017
ACT Government Offices	Block 4 Section 19	DA Applied	ACT Government	20,000	Mooted
Section 96	Section 96	DA Approved	QIC	37,000	Mooted

Table 3— Development Sites around Canberra – Source PCA

ADELAIDE

OFFICE STOCKS

January 2017's office market report from the PCA indicate that Adelaide's dominant A Grade offices continue to rise, as the amount of A Grade space increased by 4.0% from the previous year to 553,187 square metres. We note that over the decade, Adelaide's A Grade stocks increased by a dramatic 88.2% and currently encompass 39% of total office stocks. B Grade office stocks performed similarly to Adelaide's A Grade stocks, increasing by 4.1% to 390,174 square metres. Over the ten years to January 2017, B Grade office stocks increased by 21.5%, and currently take up 27% of total office space. C Grade offices increased by 1.2% over the six months, to 295,657 square metres, and currently take up 21% of total stocks. There was a decline of -3.9% in D Grade stocks, in which total stocks declined to 140,104 square metres, or 10% of total office space. The volume of Premium Grade stocks in Adelaide remained unchanged over six months to January, at 41,700 square metres, or 3% of total Adelaide office stocks. 18,771 square metres of space was added onto Adelaide's office market, most of which were new developments of B Grade buildings. There were 3,614 square metres of withdrawals over the same period, as office buildings are converted to other uses. This ultimately brings net supply of office buildings to 15,157 square metres for January 2017.

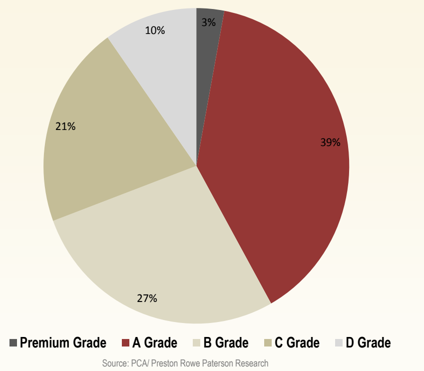


Chart 13— Adelaide CBD Office Stock by Grade — Source: PCA

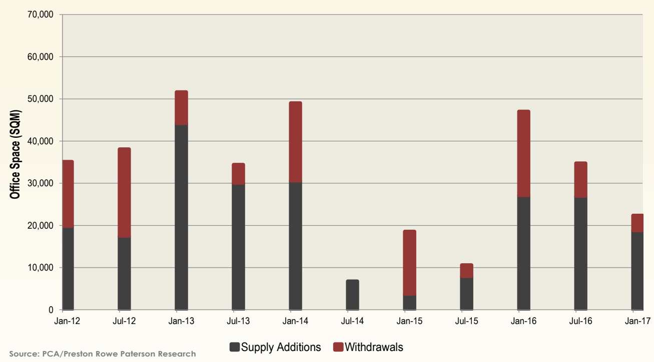


Chart 14— Adelaide CBD Supply and Withdrawals of Office Stock— Source: PCA

VACANCY RATES

Adelaide's vacancy rate continued to climb over the six months to January 2017, to its highest level of 16.2%. This is attributed to by a rise in direct vacancy, which increased from 14.3% to 15.1%, whilst sub-lease vacancy declined from 1.2% to 1.1%. According to the Property Council SA Executive Director, Daniel Gannon, the trending increase in vacancy rate is influenced by weakening demand and increasing supply in the market. We note that A Grad and B Grade vacancy increased to 15.4% and 15.6%, respectively, both influenced by significant supply additions to their respective office stocks. D Grade vacancy increase to 20.2%, whilst Premium Grade segment remains the only class to be in single digit vacancy, remaining steady at 8.3%period. Adelaide was one of a few cities to experience negative net absorption over the twelve months period, recording -1,107 square metres over the period. We note that 2017 will further bring in 9,569 square metres of office space, all of which from refurbishment of older spaces. No space is expected to enter in 2018, though 2019 will have 24,000 square metres of completed construction entering the market. Mr Gannon reiterates the importance of facing structural challenges in Adelaide's economy, with the need to lift unemployment figure in order to create demand in the economy. The property sector accounts for 10.8% of South Australia's Gross State Product, so ultimately, structural changes in areas like building code, population growth and employment will have a positive effect on the state's property sector in the long term. Mr Gannon stated that by driving innovation 'in the knowledge economy through urban infrastructure', this can create employment and inevitably drive up the need for office spaces in the future.

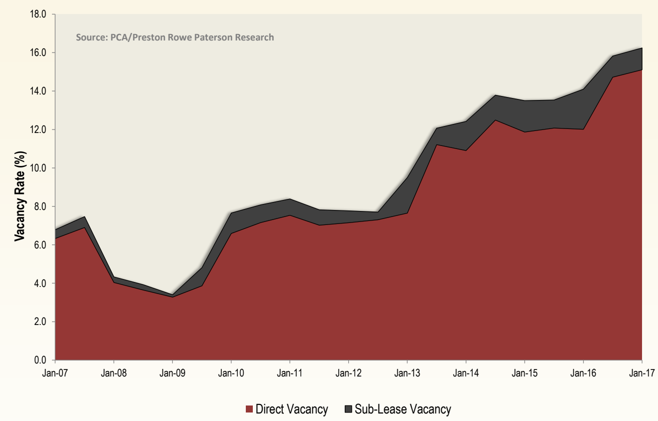


Chart 15— Adelaide CBD Vacancy Rates— Source: PCA

INVESTMENT ACTIVITY

Preston Rowe Paterson Research recorded the following major sales transactions that occurred during the second half of 2016:

132 Grenfell Street, Adelaide, SA 5000

A local private investor has bought a 5-level, heritage-listed commercial building from *Primewest* for **$13.85 million**. The 3,155 m2 of net lettable area building occupies a 985 m2 site and is fully-leased for $1.106 million per annum. There is 1,094 m2 of retail space and 2,095 m2 of office space. The sale reflects a **yield of 7.99%** and a **rate of $14,061 psm**.

91 King William Street, Adelaide, SA 5000

Inheritance Capital Asset Management has paid **$88.5 million** for a half-stake in **Westpac House** on an **initial yield of 7%**. The 31-level, 29,600 m2 of net lettable area office tower includes a basement car park, ground-level retail and two historic buildings known as **Perpetual House** and **Delmont House**. These two buildings combine for a total area of around 2,000 m2. The sale reflects a **rate of $2,801 psm**.

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 Adelaide by 2019:

Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
170 Frome Street	170 Frome Street	Complete	Emmett Properties	3,800	Q4 2016
113-115 King William Street	113-115 King William Street	Complete	115 King William Street Pty Ltd	5,799	Q4 2016
City Central Tower 4	141 King William Street	DA Applied	Charter Hall / Telstra Super Fund	12,500	Mooted
City Central Tower 7	12-26 Franklin Street	DA Applied	Charter Hall / Telstra Super Fund	24,000	2019+

Table 4— Development Sites around Adelaide CBD – Source PCA

Development sites around Adelaide CBD. Construction of 170 Frome Street (LHS) was recently completed, whilst City Central Tower 4 (Middle) and City Central Tower 7 (RHS) are due to be completed after 2019.

PERTH

OFFICE STOCKS

Perth's office market is dominated by A Grade buildings, which takes up 41% of total space with 725,064 square metres. B Grade offices follow, with a total of 477,863 square metres (or 27% of total space). Premium Grade buildings take up the third most space in Perth's office market, with 356,322 square metres, or 20.2% of total space. C Grade and D Grade offices follow, with 200,398 square metres (or 11.3% of total space) and 8,122 square metres (or 0.4% of space) respectively. Total office stocks in Perth's office market increased by 38.6% over the ten years to January 2017. Over this, all but D Grade stocks increased dramatically, with C Grade stocks with the largest growth of 70%. Furthermore, Premium Grade stocks increased by 46.7%, C Grade stocks increased by 39.1% and B Grade stocks increased by 31.6%. In contrast, D Grade stocks experienced lower than modest growth, with a change of 0.4% over the decade. We note that there is a declining trend in the number of lower grade offices stocks in Perth's CBD, as the city leans towards the conversion of these offices into more

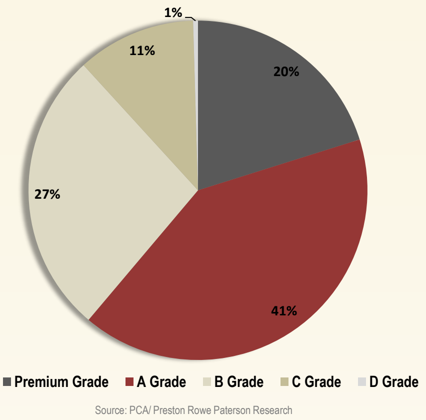


Chart 16— Perth CBD Office Stock by Grade — Source: PCA

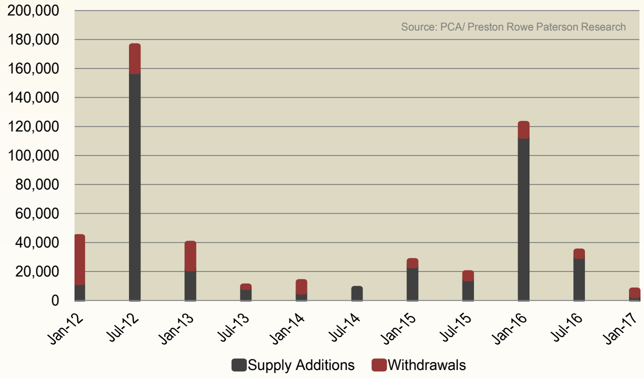


Chart 17— Perth CBD Supply and Withdrawals of Office Stock— Source: PCA

VACANCY RATE

Perth's office vacancy rate increased over the six months to January 2017 and remain very high when compared to the national average. Direct vacancy increased by 1.1% to 18.6%, whilst sub-lease vacancy declined by 0.5% to 3.8%, and ultimately bringing total vacancy to 22.5%. Perth's economy has been highly influenced by the declining commodity and energy sectors. In conjunction with Perth's struggling domestic economy driving down demand, its office market is experiencing an influx of new office supply in 2017, which ultimately has resulted in the increase in the city's vacancy rate. According to Property Council WA Executive Director, Lino Lacomella, Perth is nearing the end of its decade long of new office supply pipeline. Furthermore, there has been a trend of suburban tenants lured in by attractive rents in the CBD, though this is still not enough to induce a positive net demand due to existing tenants reducing their space need over the same period. Preston Rowe Research notes that Premium Grade stocks experienced the only decline in total vacancy rate, dropping to 16.0%, whilst A Grade, B Grade, C Grade and D Grade all experienced increases in their vacancy rates, to 20.6%, 30.3%, 21.3% and 37.5% respectively. Net absorption in Perth over the twelve months to January 2017 was negative, at -29,245 square metres, which reiterates the amount of tenants downsizing all whilst demand from suburban tenants has been steadily increasing. Mr Lacomella states the importance of upgrading and re-adapting older buildings, as there is immense pressure of high vacancies in these buildings and increased competition from newly built spaces in the CBD.

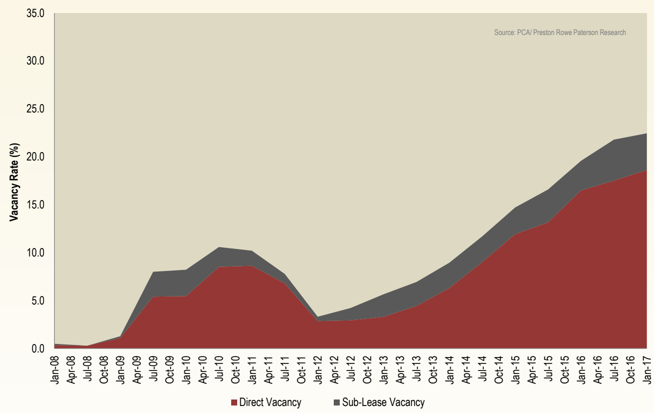


Chart 18— Perth CBD Vacancy Rates— Source: PCA

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INVESTMENT ACTIVITY

Preston Rowe Paterson Research recorded the following major sales transactions that occurred during the second half of 2016:

167 St Georges Terrace, Perth, WA 6000

Zone Q Investments, on behalf of *Far East New Central Investments*, has purchased the **Westralia Plaza** for **$87 million**. *Westralia Plaza* comprises a 12-storey office and retail building accommodating 9,800m² of A-grade office net lettable area, 760 m² of retail net lettable area and two levels of basement parking. The sale reflects a **rate of $8,877.55 psm**.

DEVELOPMENT SITES

According to the Property Council of Australia (PCA)'s Office Market Report January 2017, the following new developments are currently underway and/or mooted for construction in Perth:

Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
950 The Melbourne	950 Hay Street	DA Approved	Oakesfield Pty Ltd	10,000	Mooted
480 Hay Street	480 Hay Street	DA Approved	FES Ministerial Body	34,000	Mooted
Bishops See - Tower 2	239 St Georges Terrace	DA Approved	Australian City Properties (Hawaiian) / Brookfield Multiplex	46,000	Mooted
Capital Square	98 Mounts Bay Road	Construction	AAIG	48,484	Q4 2018

Table 5— Development Sites around Perth CBD – Source PCA

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HOBART

OFFICE STOCK

Hobart's office stock remain dominated by A Grade buildings, as the amount of A Grade stocks increased slightly over the year to a total of 189,414 square metres. Over the same period, B Grade, C Grade and D Grade stocks remained steady, at 68,837 square metres, 64,389 square metres and 32,214 square metres respectively. We note that in the six months to January 2017, an additional 2,943 square metres of office space was added through space conversion. However, 1,595 square metres of space was withdrawal, also through space conversion, and ultimately bringing net supply down to 1,348 square metres. The purchasing of older office buildings for conversion of space into other uses have also sparked ignition into Hobart's commercial property market. Despite the trend in converting office space into other uses, the PCA indicates that a further 19,290 square metres of office space, mainly from the development of Parliament Square, to be completed in 2017.

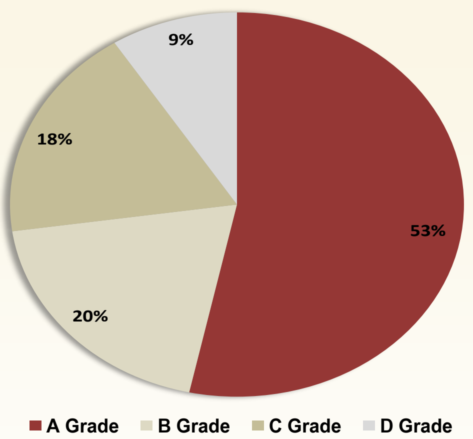

Chart 19— Hobart CBD Office Stock by Grade — Source: PCA

VACANCY RATES

Vacancy rate for Hobart CBD remains unchanged over the six months to January 2017. Total vacancy remained at 8.2%, with direct vacancy increasing by 0.5% to 7.7% and sub-lease vacancy declining b 0.5% to 0.4%. Hobart's vacancy remains the third lowest in the country, behind the powerhouses of Sydney and Melbourne. Furthermore, Hobart experienced a net absorption of 1,325 square metres driven by growing demand. Property Council Tasmania Executive Director, Brian Wightman, stated that increased office space demand is a welcoming sign for Hobart's economy, as this can create 'further opportunity to embark on reforms', which can

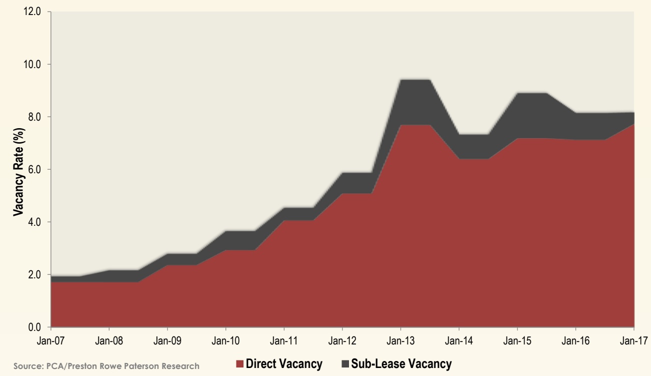

Chart 20— Hobart CBD Vacancy Rates— Source: PCA

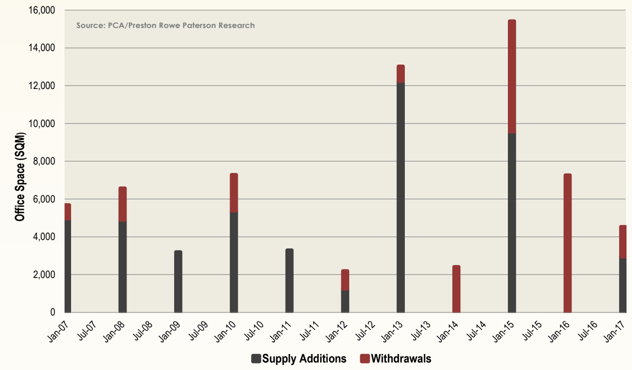

Chart 21— Hobart CBD Supply and Withdrawals of Office Stock— Source: PCA

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 Hobart by 2019:

Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
36 Argyle Street	36 Argyle Street	DA Approved	Raadas Property	3,015	Q4 2017
	Parliament Square	Construction	Citta Property Group	16,275	Q4 2017
145-167 Liverpool Street & 104-110 Murray Street	145-167 Liverpool Street & 104-110 Murray Street	DA Approved	Riverlea Australia Pty Ltd	18,420	Mooted

Table 6— Development Sites around Hobart CBD— Source PCA

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DARWIN

Office Stock

Darwin's office stock remains the lowest in the country, with a total of 215,802 square metres of office stock available. The market is predominantly A Grade office buildings, with 136,032 square metres (or 63% of total stock). B Grade and C Grade offices follow, with 63, 554 square metres (or 29.5% of total stock) and 16,216 (or 7.5% of total stock) respectively. The Property Council of Australia indicates no future office supply will enter Darwin in at least another 3 years.

Vacancy Rate

Darwin's office vacancy rate remain the highest in the country, increasing by 1.8% over the six months to January 2017 to 22.5%. Direct vacancy increased by 1.8% to 22.5%, whilst sub-lease vacancy remains unchanged at 0%. When we look at different property grades, A Grade had total vacancy rate of 15.6%, whilst B Grade had total vacancy of 30.4%, and C Grade had 49.3% total vacancy rate. Net absorption over the twelve months was negative at -1,870 square metres, with the majority of this negative demand concentrated in the A Grade segment.

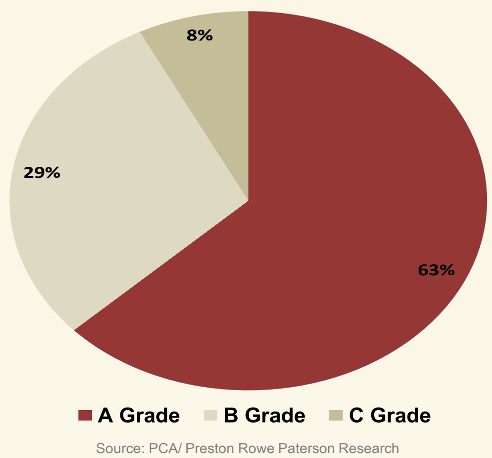

Chart 22— Darwin Office Stock by Grade — Source: PCA

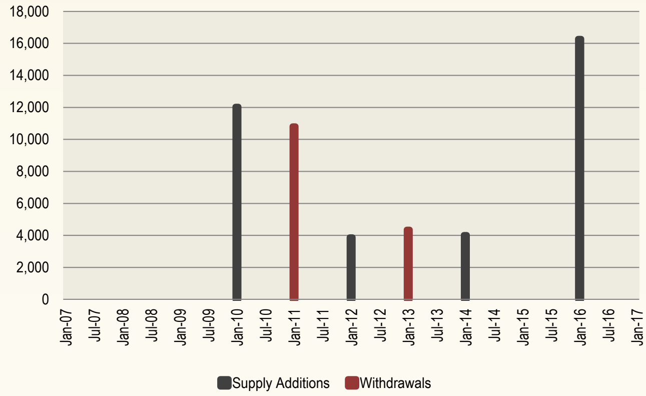

Chart 23— Darwin Supply and Withdrawals— Source: PCA

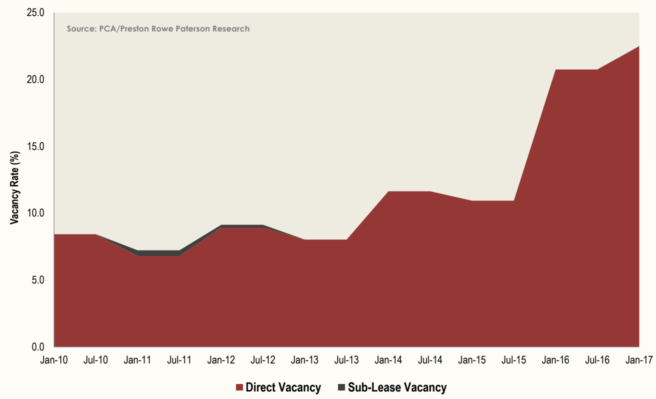

Chart 24— Darwin Vacancy Rates— Source: PCA

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Economic Fundamentals

Consumer Price Index

Over the three months to March 2017, All groups Consumer Price Index (CPI) for Australia increased by 0.5% over the quarter to bring annual change to 2.1%, just above the Reserve Bank's two-to-three per cent inflation target. This annual increase is considerably higher when compared to the twelve-month change to December 2016, which rose 1.5% (the lowest annual increase in nineteen years). When looking at core inflation, which is looks at changes in prices that reflect only the supply and demand conditions in the economy, prices changes remain relatively weak with a 0.4% rise in the weighted median over the three months to March to result in an annual change of 1.7%.

In the last year, Melbourne and Sydney recorded the largest increase in All Groups CPI, with a respective annual increase of +2.5% and +2.4%. In contrast, Darwin recorded the lowest increase, with an annual change of 0.5%. Over the March quarter, CPI increased in all capital cities, except for Darwin, when we look at the All groups level. Notably, the housing group (+0.8%) contributed the most to the quarterly rise, which increases in six out of eight capital cities. In conjunction with an increase in new dwelling purchases by owner-occupiers, increases in input costs and electricity prices all contributed to the rise prices in the housing group. The transport group (+1.5%), health group (+2.0%) and education group (+3.1%) all contributed positively to the quarterly movements in the All groups. Petrol price, fuelled by an increase in world oil prices, was the main driver of the transport group. Rises in medical & hospital services and pharmaceutical products caused by the resetting of the Medicare Benefits Scheme (MBS) (which increased the out-of-pocket expenses for patients) contributed the most to the increase in prices in the health group.

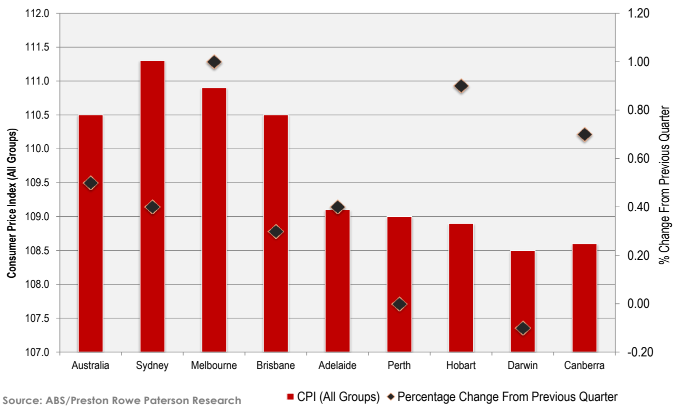


Chart 1—All Group CPI (Capital Cities) and Percentage Change from December 2016 to March 2017—Source—

Business Sentiment

According to the NAB Quarterly Business Survey, confidence amongst Australian businesses increased in the first quarter of 2017. The business confidence indicator increased by +1, to +6, on a scale in which a reading above 0 indicates improving conditions. However, National Australia Bank did note that despite the solid results, there is no strong evidence that the increased confidence towards the global economic outlook is positively impacting business confidence. This may be due to the increased concerns around political events around the world. Business confidence were positive for all industries other than retail (-1) and manufacturing (-5). Construction (+8) and transport & utilities (+4) experienced strong levels of confidence, whilst mining (+10) and wholesale (+10) continue to see the strongest levels of growths amongst all industries.

Consumer Sentiment

According to the Westpac-Melbourne Institute Consumer Sentiment Index, overall sentiment in April declined by 0.7%, from March's index of 99.7 to April's 99.0. This decline is influenced by both domestic and international factors, including the domestic concerns over Australia's housing market, the action of major banks to increase their interest rates for some mortgage borrowers, disappointing labour market figures, declining iron ore prices over the last month, and the strengthening Australian dollar and its inevitable impact on exports. On the international front, the lack of progress shown by the Trump administration in delivering their growth policies have resulted in a frantic market, along with an increase in tensions in the Middle East. We note that consumers are less confident when compared to previous years when asked about the annual Budget, with the expectation that any negative shocks in this year's Budget will result in a significant decline in the Confidence Index.

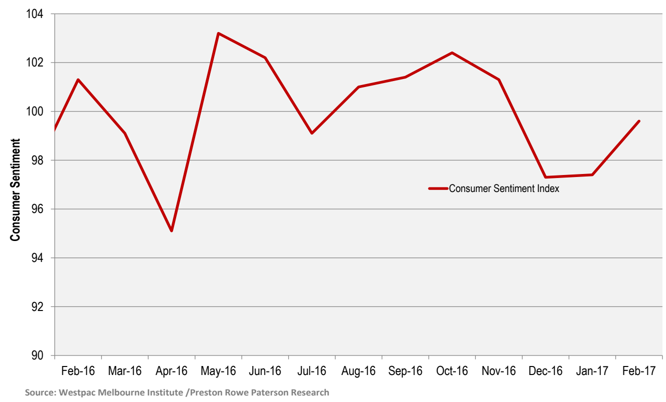


Chart 2—Consumer Sentiment Index, February 2016 to February 2017—Source—Westpac Melbourne Institute Survey

Preston Rowe Paterson

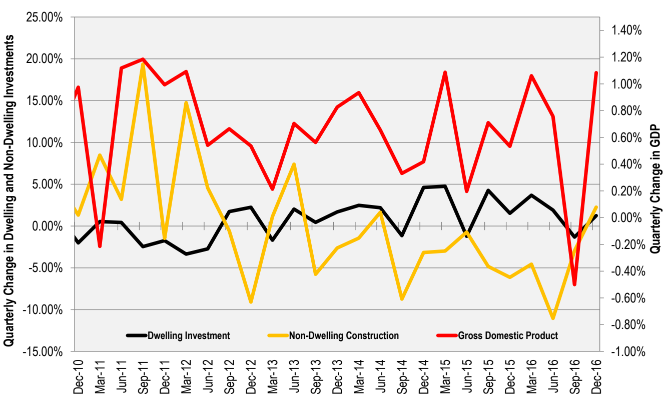
International Property Consultants

Gross Domestic Product

Over the December quarter, Gross Domestic Product increased by a seasonally adjusted 1.1%, and hence lifted Australia's economic growth over the year to 2.4%. This increase over the quarter meant that Australia have averted a technical recession after the contraction of 0.5% over the September quarter, though overall growth over the year was at a below long-term average of about 2.75%. Notably, the Australian Bureau of Statistics pointed to a rise in household spending and public investment as the two biggest contributors to the quarter's strong performance, with a respective growth of 0.5% and 0.3% over the quarter.

Out of twenty industries, improvements were recorded in fifteen, with the strongest growth stemming from Mining, Agriculture, Forestry and fishing and Professional scientific and technical services- with each industry recording 0.2% to GDP Growth. We note that Australia's Terms of trade increased by 9.1% over the three months through to December, with its improvement attributed to by strong price increase in coal and iron ore upon increased demand from foreign buyers. Furthermore, the rise in commodity prices has resulted in a 16.5% increase in Private non-financial corporation's gross operating surplus.

We also note that compensation of employees declined 0.5% in the quarter, this being the first decline since September quarter of 2012. These figures are supported by record low growth in the Wage Price Index, which was observed to be at 1.9% over the year to December. Furthermore, more households are digging into their savings, as the Household savings ratio stood at a seasonally adjusted 5.2% in December- down from September quarter's figure of 6.3%. Household spending over the December quarter increase to 1.2% (0.6% in September), whilst household gross disposable income increased by a low 0.2%.



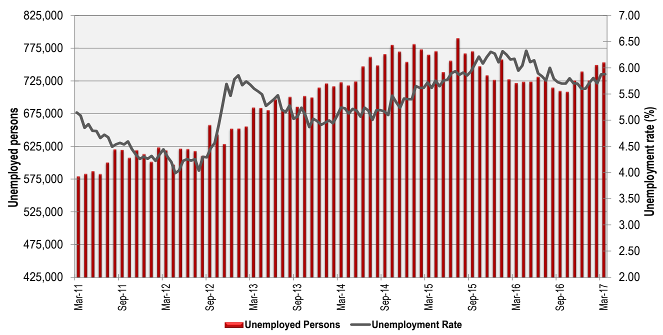
Source: RBA /Preston Rowe Paterson Research

Chart 3— Percentage Change in Dwelling, Non-Dwelling Investments and GDP— Source: ABS

Unemployment

National unemployment rate remained unchanged in March at 5.9%, even if the economy was boosted by the creation of 60,900 new jobs. The reason for this was that over the month, Australia's participation rate increased by 0.2% to 64.8%, which means that there was an increase in the proportion of people in employment or seeking employment when compared to the previous month. When we break down the numbers, there were 75,500 full time jobs filled up over the month, though this was offset by a decrease of 13,6000 part time positions. These figures provide a refreshing change from the frequent reports of Australia's underperforming full-time job market over the past twelve months, though analysts remain cautious since the unemployment rate remains precariously high. We also note that underemployment is still considerably high, with over one million people in Australia wanting more work but unable to obtain any.

When we look at the states and territories, most enjoyed an improvement in their unemployment rate. Queensland and New South Wales benefited from an addition of 28,800 and 23,300 jobs, respectively, over the month to March. Their respective unemployment rate declined to 6.3% (6.6% in Feb) and 5.1% (5.2% in Feb). Victoria, South Australia, Western Australia and Tasmania all experienced an increase in their unemployment rate. Victoria's unemployment rate increased by 0.1% to 6.1%, South Australia's increased from 6.6% to 7.0%, Western Australia's from 6.1% to 6.5% and Tasmania's from 5.8% to 6.0%.



Source: ABS/Preston Rowe Paterson Research

Chart 4— Unemployment Persons and Unemployment Rate, March 2011 to March 2017 — Source: ABS

	Unemployment Rate (%)			Participation Rate (%)		
	February	March		February	March	
Australia	5.9	5.9	—	64.6	64.8	▲
New South Wales	5.2	5.1	▼	62.9	63.1	▲
Victoria	6.0	6.1	▲	65.7	65.9	▲
Queensland	6.6	6.3	▼	64.1	64.6	▲
South Australia	6.6	7.0	▲	62.3	62.3	—
Western Australia	6.1	6.5	▲	67.2	67.5	▲
Tasmania	5.8	6.0	▲	59.5	59.9	—
Northern Territory*	3.5	3.5	—	78.1	78.5	▲
Australian Capital Territory*	3.7	3.7	—	70.1	70.1	—

Table 1— Unemployment Rate and Participation Rate, February vs. March 2017 — Source: ABS

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10 Year Bond & 90 Day Bill Rate

10 Year Australian government bond yields have been steadily increasing over the three months to March 2017. The average 10 Year yields in March stands at 2.81%, which indicates a 2 basis points increase from December's average of 2.79% and a 24 basis points increase from the March 2016's average of 2.57%. The 90-Day bank bill swap rate increased at a more modest rate, to 1.79% for the month of March. This figure indicates a rise of 1 basis point from the previous quarter, though indicates a yearly decline of 0.52%.

We note that over the past twelve months, central banks globally have utilised unconventional policies (i.e. buying programs and quantitative easing methods) in order to manipulate decreases in bond yields with the intention to stimulate both private and corporate investment. Inevitably, bond yields have declined to historical lows, though the effectiveness of these programs in their ability to influence economic growth have been questioned by the International Monetary Fund and the G20 through to 2017. Nevertheless, the US Election prompted Treasury bond rates to increase as market confidence spurred from the election of Donald Trump. Global economies, including Australia, have mirrored the upward movements of the US Bond markets ever since the US Election in November 2016, though we note that rate rises have slowed over the three months to March 2017.

Preston Rowe Paterson Research forecasts that volatility in Australia's bullish bond yields will continue throughout 2017. The latest figures from April indicated a sharp decline in Australian 10-Year bond yields, slumping to 2.59% - the lowest level since November's figures post-Trump election. We note that this was influenced by the decline in US 10-Year Treasury yields to 2.32%, which has decreased as declining oil prices prompted fears in inflation and economic growth prospect. Furthermore, the Trump administration have not been able to show any signs of fulfilling their infrastructure spending promises, which inevitably adds to the uncertainty of future growth prospects in the United States.

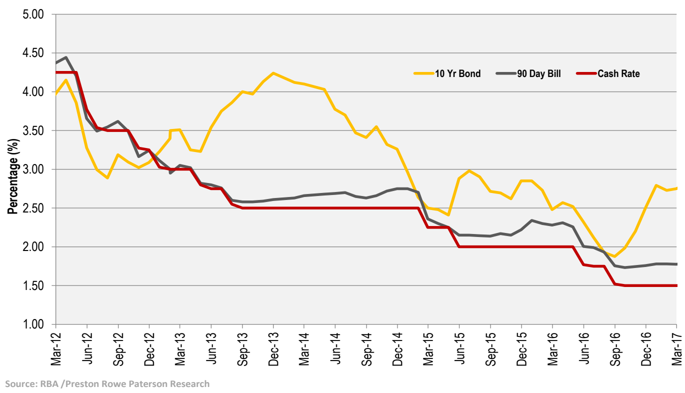

Chart 5— Monthly movement of 90-day Bill, 10-year bond yields and Cash rate, from March 2012 to March 2017—

Interest Rates

Interest rate was kept unchanged for the sixth meeting in a row in March, with the cash rate remaining at 1.5%. The Reserve Bank of Australia based its decision on the fact that the global economy has improved modestly over the few months in 2017, with expectations of above-trend growth in advanced economies even as uncertainty remains. The RBA emphasises the transition away from additional expansionary monetary policies from major economies around the world all whilst the world anticipates the decision stemming from the US Federal Reserve to increase its interest rate in the near future.

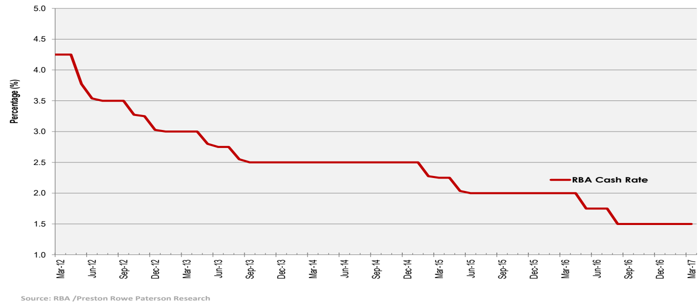

Chart 6— Movement of the Cash Rate from March 2012 to March 2017— Source: RBA

Exchange Rate

The Australian currency depreciated against most major currencies over the month to March. The Australian dollar slipped against the US Dollar, depreciating by 0.6% to buy $USD0.7644. Furthermore, the Australian Dollar declined against the UK Pound, the Euro and the Japanese Yen, with $AUD1 buying £0.6126 (-0.9% m-o-m), €0.7161 (-1.4% m-o-m) and ¥85.67 (-1.0% m-o-m) respectively. In contrast, the Australian dollar appreciated against the New Zealand Dollar, buying 2.4% more than the previous month at $NZ1.095. When we look at changes over the quarter, the Australian Dollar fared better, appreciating 5.6% against the US Dollar, 4.0% against the UK Pound, 4.2% against the Euro, 1.4% against the Yen and 5.32% against the New Zealand Dollar. The Australian exchange rate in slipped in March after the Reserve Bank's decision to let interest rate remain unchanged amidst the build-up of risk that stems from the housing market. The Bank's stance of interest rate is a hard balancing act, as lifting rates would ideally cool down the housing market though this may detriment Australia's economic progression.

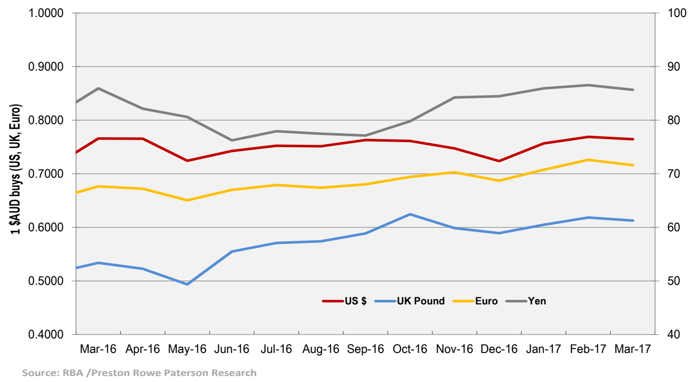

Chart 7— Movement in Exchange Rate over the year to March 2016— Source: RBA

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Our Research

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

We have *property* covered

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

We have all *real estate* types covered

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

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

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:

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- 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

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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.

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- 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
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