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International Property Consultants

# Property Market Report

## New South Wales

### March Quarter 2018

#### HIGHLIGHTS

- The Property Council of Australia's January 2018 Office Market Report indicated that stock withdrawals remained a key contributor to the undersupplied status of the Sydney CBD office market over the past six months. Vacancy levels are at record low levels as a result.
- The Australian Bureau of Statistics recorded an increase in the number of dwellings approved for construction in this quarter by a seasonally adjusted 5.4%.
- Australia's retail turnover rose by 0.7%, following a 0.5% decrease over the December quarter of 2017 indicating increasing consumer spending as unemployment rate remained low at 5.5%.
- Median house price in Sydney increased slightly by 0.5% to \$1,079,500 over the December 2017 quarter. This was in contrast to the decline of unit dwelling median price of 0.4% to \$736,900.

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## COMMERCIAL OFFICE MARKET

### Sydney CBD

#### Supply by Grade (Stock)

Withdrawals remained the key attribute to the supply stock in the past six months leaving the Sydney CBD office market in a supply draught. The PCA's January 2018 Office Market Report indicated that the total withdrawal in the Sydney CBD was 99,695 square metres with only 37,376 square metres of added stock. This has resulted in a decreased net stock of 5,023,997 square metres in the market over the six-month period to January 2018.

22,483 square metres of the supply withdrawals are permanently withdrawn to cater for alternative uses. The stock withdrawals include the 16,746 square metres 39 Martin Place demolished to be converted into the Martin Place Metro Station. In addition, four buildings along Young Street and Loftus Street are also withdrawn for residential development conversion as a part of the Quay Quarter Sydney precinct.

The Sydney CBD office undersupply circumstances are expected to remain until the end of 2019 or early 2020 when 275 George Street, 60 Martin Place, Wynyard Place and the Quay Quarter Sydney precinct projects come online.

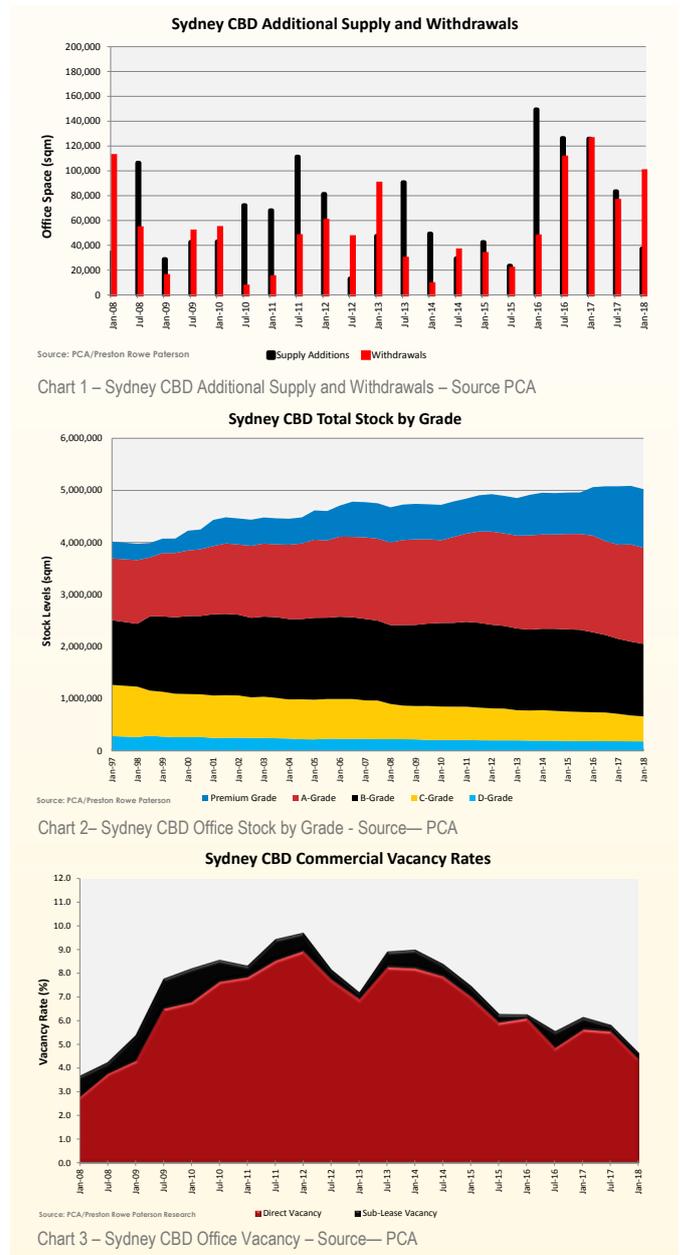
#### Vacancy Rates

The Sydney CBD office vacancy is 4.6% as at January 2018, its lowest in 10 years, driven by the increasing white-collar employment rate at an annual growth rate of 1.9%. The compressed vacancy rate is driving prime and secondary office rental prices up at rates of approximately 8.5% and 11.3%, respectively.

#### Development Sites

Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
275 George Street	275 George Street, Sydney, NSW 2000	DA Approved	John Holland Group	6363	Q3 2019
60 Martin Place	60 Martin Place, Sydney, NSW 2000	Site Works	Investa Property Trust/Martin Place Whole Sale Syndicate	38,600	Q3 2019
Wynyard Place	10 Carrington Street, Sydney, NSW 2000	Site Works	Sovereign Wynyard Centre Pty Ltd	58,974	Q1 2020+
Quay Quarter Sydney/AMP Precinct	50 Bridge Street, Sydney, NSW 2000	DA Approved	AMP Capital Investors (AMP Wholesale Office Fund)	88,274	Q3 2020
Central Park	100 Broadway, Chippendale, NSW 2008	Construction	Frasers Property Group / Sekisui House Australia	5,447	Q4 2018
6 York Street	6 York Street, Sydney, NSW 2000	DA Approved	NGI Investments	6,000	Mooted
Kindersley House	33 Bligh Street	DA Approved	Investa + Ausgrid	24,000	Mooted
International House Sydney	3 Sussex Street, Sydney, NSW 2000	Complete	Lendlease	6,885	Q3 2017
Barrack Place	151 Clarence Street	Construction	Investa Office Fund	22,000	Q3 2018

Table 1 – Development Sites around Sydney CBD – Source PCA





## Investment Activity

### 630-638 George Street, Sydney, NSW 2000

Private owners have disposed of two office buildings in the south of Sydney's CBD for **\$94 million** to Singaporean private investors in an off-market sale. The 1,000 square metre site has a current building height restriction of 230 meters and it is believed that the purchasers will develop the site into apartments and hotel rooms in the future. The sale represents a **rate of \$94,000 per square metre site area**.

### 16 Spring Street, Sydney, NSW 2000

Lendlease's investment platform, *Australian Prime Property Fund Commercial*, have purchased a 12-level office building for **over \$50 million** from a private Asian owner. The site adjoins multiple



other Lendlease-owned properties and could form part of a new supersite in the CBD. The land area is 460 square metres whilst the office area spans 3,176 square metres. This sale represents a **rate of \$15,743 per square metre lettable area**.

### 88 Cumberland Street, The Rocks, NSW 2000

Private investor *Mark Henderson* has acquired a commercial building for **\$56 million** on a sub-5 per cent yield. The building comprises a car-park and 4-levels of office space. Four residential strata units reside on the top floor of the building, these are under a separate plan and not included in this sale. Furthermore, any future development of the site would depend on the owners of those units. The asset has a floor area of 4,675 square metres and two levels of the space is **anchored by Destination NSW**, a government body. This sale reflects a **rate of \$11,978 per square metre lettable area**.

### 299 Elizabeth Street, Sydney, NSW 2000



The *Mah Family* have emerged as the purchaser of the 11-level office tower opposite Hyde Park for **\$90.8 million**. This adds to their 2017 purchase of the adjoining 287 Elizabeth Street in what could lead to a future amalgamated development. The complex spans 5,974 square metres of floor space including ground floor retail. The sale gives a **rate**

**of \$15,199 per square metre lettable area**.

### 160 Pitt Street, Sydney, NSW 2000

After 145 years of continuous company owner-occupation, the iconic **Soul Pattinson building** has just been sold to Sydney property investor *Victor Comino* picking up the building for **\$100 million**. The circa 1886, three-level building has a floor area of 1,290 square metres, giving this sale a **rate of \$77,519 per square metre lettable area**.

### 75 Pitt Street, Sydney, NSW 2000

*Wiltshire International* has parted ways with **\$43.52 million** for a 14-level freehold office building, previously owned and occupied for 40-years by *Thai Airways*. The property, built in 1936 sits on a miniscule 234 square metres land parcel with three main street frontages. Although the property is zoned B8 Metropolitan Centre and is surrounded by much larger buildings, *Wiltshire* intent to refurbish and let out the building due to the current market demand for this type of asset, although *Thai Airways* has a 1-year leaseback clause for 5 levels of the building. With a floor area of 2,422 square metres, this sale reflects a **rate of \$17,968 per square metre lettable area**.

### 52 Goulburn Street, Sydney, NSW 2000

Investment fund *Arcadia* has bolstered their holdings in the World Square precinct by outlaying **\$176 million** for a 50% stake in the 12-level commercial building. The property is fully let to the **Australian Tax Office** with a WALE of 4.6 years. *Credit Suisse* sold the stake whilst retaining a 50% ownership interest in the building. *Arcadia* now account for over 105,000 square metres of floor area in the complex, this sale representing 23,100 square metres of that figure. The property was sold on a **4.76% yield** and a **rate of \$15,238 per square metre lettable area** (adjusted to reflect half interest).



## Leasing Activity

### Level 1, 89 York Street, Sydney, NSW 2000

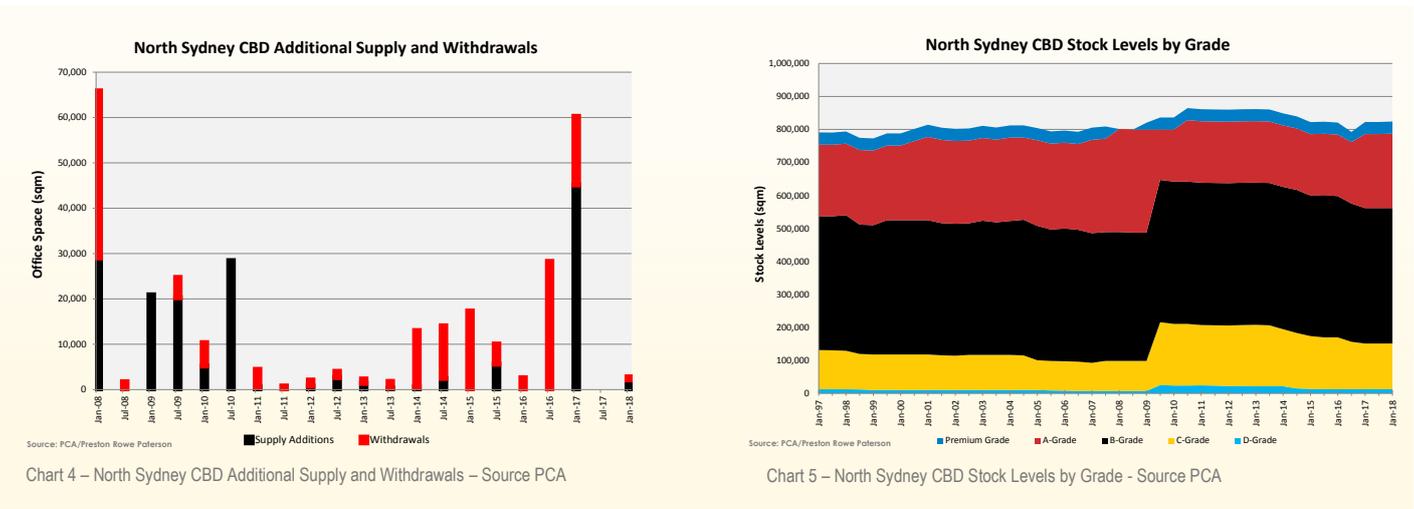
Financial services provider *Cuscal* will occupy the whole first floor of the CBD office building for the next **four years**. The 516 square metres floor is fully fitted out with a reception, 3 meeting rooms, boardroom and a separate kitchen. The space will cost the firm approximately **\$850 gross per square metre lettable area per annum** or **\$438,600 per annum**.

## North Sydney

### Supply by Grade (Stock)

After experiencing no change in the six months to July 2017, North Sydney's office market recorded slight increases for both withdrawal and additional supply through the six months to January 2018. The 2,148 square metre additions were offset by 662 square metres of withdrawn stock over the period. In total, the North Sydney office market supply increased to a total net stock of 1,486 square metres.

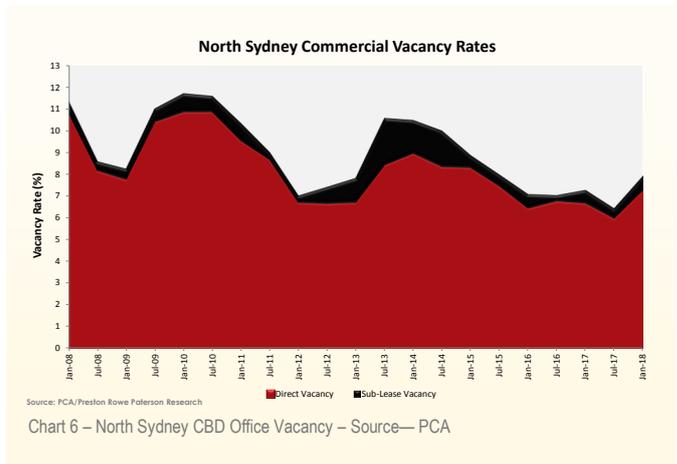
There are two major developments currently under construction, 100 Mount Street and Shopping World Site that will be completed in 2019 and 2020, adding another 42,000 square metres and 45,720 square metres to the North Sydney office market.



### Vacancy Rates

Over the six months to January 2018, the North Sydney office market vacancy rate increased by 1.5% to 7.9%. The rise in the total vacancy rate indicates a slowing market in North Sydney.

The rental growth in North Sydney office market remains resilient despite the easing demand and rising vacancy. The strong Sydney CBD office market circumstances may flow into North Sydney in the near future. Thus, the North Sydney office market may see reduced vacancies coupled with continued rental growth in the short to medium term.



### Development Sites

Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
<b>100 Mount Street</b>	100 Mount Street, North Sydney, NSW 2060	Construction	DEXUS Property Group	42,000	Q1 2019
<b>Shopping World Site</b>	1 Denison Street, North Sydney, NSW 2060	Site Works	Winton Property Group	45,720	Q1 2020+

Table 2 – Development Sites around Sydney CBD – Source PCA

## Crows Nest/St Leonards

### Supply by Grade (Stock)

The PCA's Office Market Report for January 2018 indicated an 8,111 square metre stock withdrawal in Crows Nest within the six-month period. At the same time, 1,825 square metres was added onto the market, bringing the total stock down to 307,731 square metres. All of the withdrawals stemmed from the decrease in secondary offices while prime stock remains unchanged. With economic conditions appearing to improve, the Crows Nest/St Leonards office market may benefit from the 4,200 square metre addition of the St Leonards Square development by the end of 2019.

### Vacancy Rates

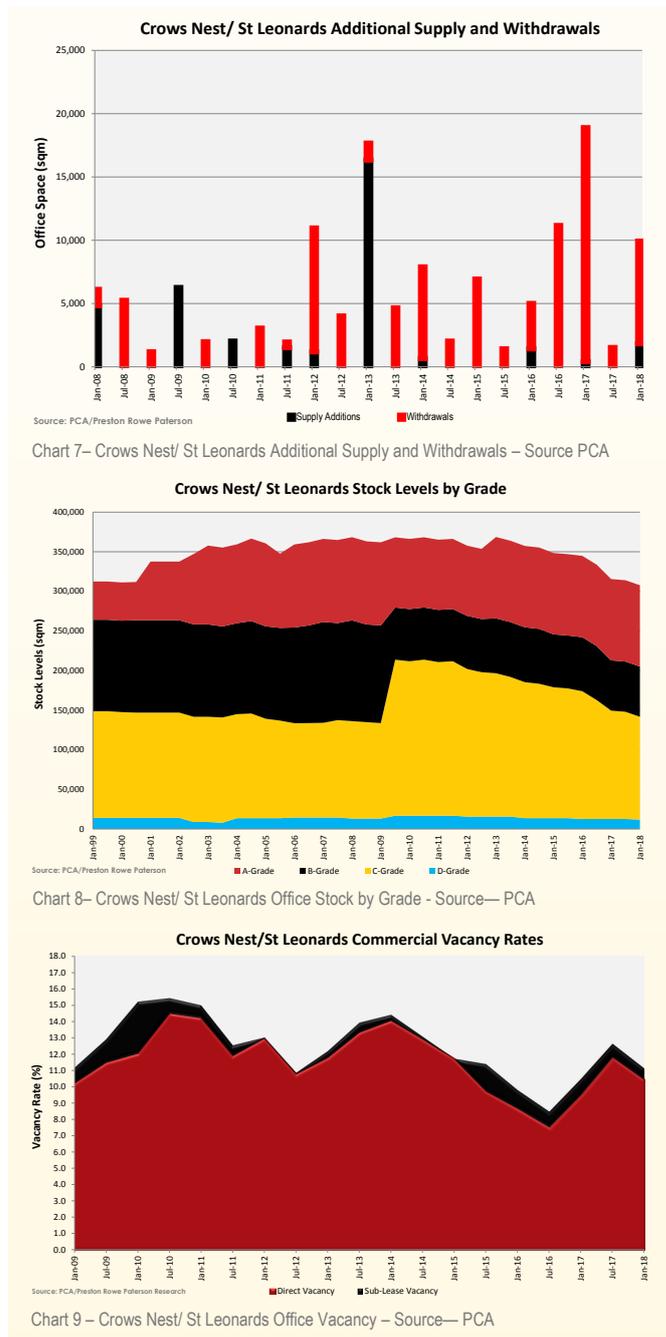
Over the six months to January 2018, the Crows Nest/ St Leonards vacancy rate decreased by 1.5% to 11.1%. This decline is attributed to the compressed secondary office vacancy with B, C and D Grade dropping 3.3% (to 11.7%), 2.5% (to 7.4%) and 1.8% (to 9.1%) due to supply withdrawals for high-rise residential conversions.

The vacancy of prime office space in Crows Nest/St Leonards eased by +0.8% to 15.7%.

### Investment Activity

#### 29-57 Christie Street, St Leonards, NSW 2065

Joint vendors APIL and Windgate have sold a mixed-use facility for **\$166 million** to a consortium of Arrow Property Investments, Pindan Capital and Starwood. The premises features an A Grade, 7-level office building with 17,792 square metres of lettable area and a three level basement car park for 307 vehicles. It also includes a sports complex with a swimming pool, tennis court and childcare centre. The sale provides a **rate of \$9,330 per square metre lettable area**. St Leonards is located 6.6 km north of Sydney's CBD.



### Development Sites

Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
St Leonards Square	472-494 Pacific Highway, St Leonards, NSW 2065	Construction	Mirvac Group	4,200	Q4 2019
Gore Hill Technology Park - D1, D2, D3	219-247 Pacific Highway, St Leonards, NSW 2065	DA Approved	Lindsay Bennelong Development	46,000	Mooted
Electroboard	18-20 Atchison Street, St Leonards, NSW 2065	Site Works	Electroboard	2,300	Mooted

Table 3 – Development Sites around Crows Nest/St Leonards – Source PCA

## Parramatta

### Supply by Grade (Stock)

The total stock in Parramatta office market fell slightly by 0.1% to 705,416 square metres over the six months to January 2018. The second quarter of 2018 will see an additional 25,000 square metres of commercial space hitting the market following the completion of 105 Phillip Street. Through 2019 to 2020, the completion of Stage 3 and 4 of the Parramatta Square, 50 Macquarie Street and 99-113 Macquarie Street will add another 159,000 square metres to the Parramatta office market, raising concerns about a future oversupply in the market. However, it is understood that most of the new supply is pre-committed and the market is in a good position to absorb the remaining stock, especially considering the infrastructure investment in the area.

### Vacancy Rates

As a response to the low supply and improving economic conditions, the total vacancy rate in the Parramatta office market declined by 1.3% to 3.0%. The decline in vacancy rate is primarily attributed to the decline in secondary offices withdrawn for refurbishment and redevelopment. The tight vacancy continues to support rental growth in Parramatta with low incentives for prime assets.

### Investment Activity

#### 264-270 Church Street, Parramatta, NSW 2150

A landmark property on the corner of Church and George Street in Parramatta's CBD has sold for **\$14 million**. The sale comprises a c.1874 heritage building as well as an adjoining retail store, both 3-levels in height, and includes parking for some 9 vehicles. The property is fully leased to **Westpac** on a long term lease currently generating \$615,922 per annum net. This sale was done on a **yield of 4.39%** and returned a **rate of \$10,980 per square metre lettable area**. Parramatta is located 23 km west of Sydney's CBD.

### Development Sites

Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
50 Macquarie Street	50 Macquarie Street, Parramatta, NSW 2150	DA Applied	G & J Drivas Pty Ltd	25,222	Q4 2020+
Westfield Parramatta Development	159-175 Church Street, Parramatta NSW 2150	DA Applied	Scentre Group	100,000	Mooted
105 Phillip Street	105 Phillip Street, Parramatta, NSW 2150	Construction	Dexus Property Group	25,000	Q2 2018
Parramatta Square (Stage 4)	30 Darcy Street, Parramatta, NSW 2150	Site Works	Parramatta City Council	80,000	Q4 2019
Parramatta Square (Stage 3)	153 Macquarie Street, Parramatta, NSW 2150	Site Works	Parramatta City Council / Walker Corporation	46,000	Q3 2020+
99-113 Macquarie Street	99-113 Macquarie Street, Parramatta, NSW 2150	DA Approved	Uniting Church Australia Property Trust	8,000	Q4 2020+

Table 4 – Development Sites around Parramatta – Source PCA

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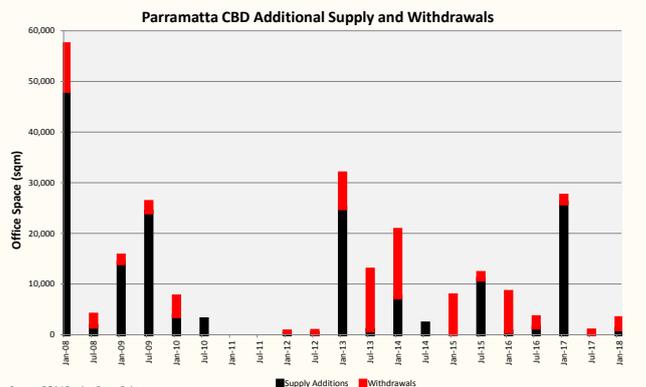
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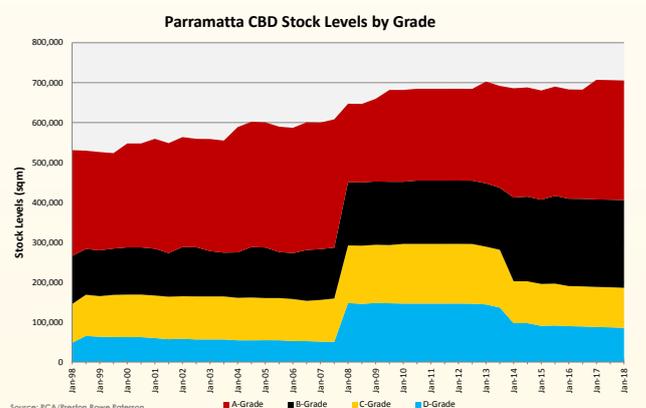
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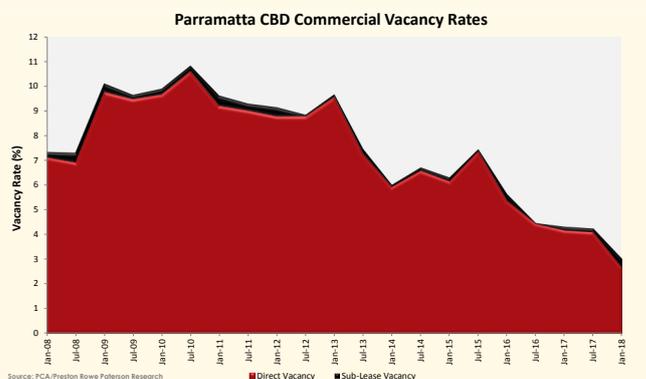
Source: PCA/ Preston Rowe Paterson

Chart 10– Parramatta CBD Additional Supply and Withdrawals— Source PCA



Source: PCA/Preston Rowe Paterson

Chart 11– Parramatta CBD Office Stock by Grade - Source— PCA



Source: PCA/Preston Rowe Paterson Research

Chart 12– Parramatta CBD Office Vacancy – Source— PCA

## Chatswood

### Supply by Grade (Stock)

The January 2018 Office Market Report from the PCA notes that the total stock in the Chatswood office market remained unchanged at 278,919 square metres for the past three years. Nonetheless, the Chatswood office market is in a healthy balance of supply and demand with no anticipated supply addition in the medium term.

### Vacancy Rates

The total vacancy in Chatswood’s office market decreased to 6.8%, a fall of 0.1% from the last quarter. Given the unchanged supply condition, the short-term outlook for Chatswood office market seems positive with steady demand.

### Investment Activity

#### 1-5 Railway Street, Chatswood, NSW 2067



*iProsperity* has bought out its partner *Lotus Capital Asset Management* of a 56-year old ground lease for two 12-level commercial office towers for a sum total of **\$107 million**. The property sits adjacent to Chatswood station and the newly developed concourse. The towers encapsulate 17,732 square metres of floor area on a 3,806 square metre site and are also joined by a retail podium. The sale of this leasehold reflects a **rate of \$12,069 per square metre lettable area** (adjusted to reflect half interest). Chatswood is located 10 km north of Sydney’s CBD.

### Leasing Activity

#### 799 Pacific Highway, Chatswood, NSW 2067

Technology company *NCR Australia* has agreed to occupy level 9 of **Tower A** of the **Citadel Towers**, a commercial building in Sydney’s lower north shore for **\$563,805 p.a. net**. The deal with *Tackelly Pty Ltd* is over **5-years** for a 1,139 square metre floor plate and was done on a **net rate of \$495 per square metre lettable area**.

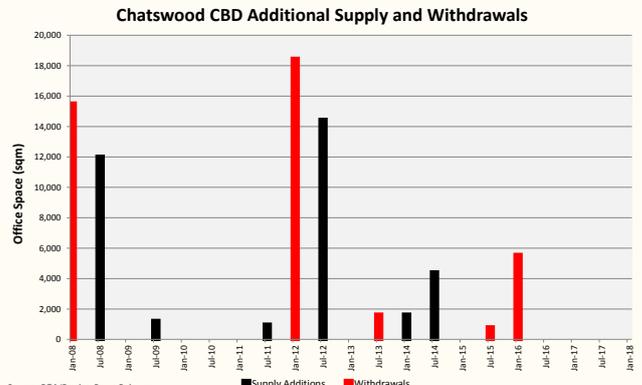


Chart 13 – Chatswood CBD Additional Supply and Withdrawals – Source PCA

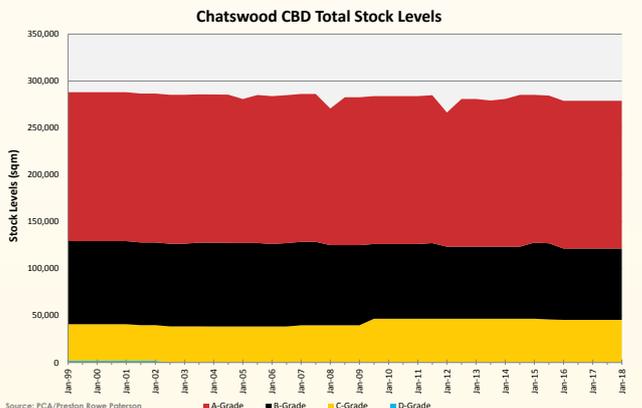


Chart 14— Chatswood CBD Office Stock by Grade - Source— PCA

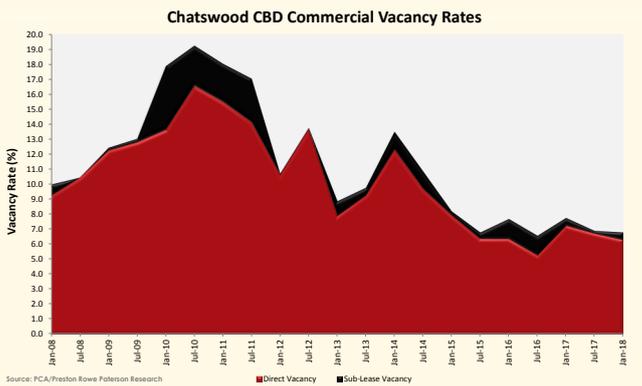


Chart 15– Chatswood CBD Office Vacancy – Source— PCA

## North Ryde/Macquarie Park

### Supply by Grade (Stock)

The overall North Ryde and Macquarie Park office market experienced a decreased stock of 8,211 square metres to a net total of 865,482 square metres due to withdrawals for hotel and residential conversions. Most of the up-coming supply in North Ryde and Macquarie Park is mooted except for Building C of 45 Waterloo Road, which is expected to complete at the end of 2019 adding 35,000 square metres to the market. The currently mooted projects, if executed, will add a total of 219,545 square metres over the long term.

### Vacancy Rates

The North Ryde/Macquarie Park office vacancy rebounded over the six months, falling by 2.4% to 6.0%. The A and B Grade offices recorded positive net absorption indicating strengthening demand. Vacancy is likely to remain low in this area especially with the presence of Macquarie University giving a competitive advantage to the catchment area. Further to this, North Ryde/Macquarie Park may soon benefit from the new transport options of the Sydney Metro Northwest line, with tenants looking to secure space in the area before the train line becomes operational.

### Investment Activity

#### 58 Waterloo Road, Macquarie Park, NSW 2113



*Goodman Group* has acquired two vacant office buildings from Swiss pharmaceutical company *Novartis International* for **\$40.5 million**. The site occupies an area of 1.13 hectares and includes some 50 parking bays and a separate on-grade car park for 70 vehicles. This sale reflects a **rate of \$3,584 per square metre site area**. Macquarie Park is located 15.7 km north-west of Sydney's CBD.

### Development Sites

Project Name	Address	Stage of Development	Owner	Net Lettable Area (SQM)	Completion Date
45 Waterloo Rd - Building C	45 Waterloo Road, Macquarie Park, NSW 2113	DA Applied		35,000	Q4 2019
11 Talavera Road	11 Talavera Road, Macquarie Park, NSW 2113	DA Applied	Dexus Property Group	32,000	Mooted
8-12 University Avenue	8-12 University Avenue, Macquarie Park, NSW 2113	DA Applied		50,000	Mooted
95 Waterloo Road	95 Waterloo Road, Macquarie Park, NSW 2113	DA Applied		14,874	Mooted
31-35 Epping Road	31-35 Epping Road, Macquarie Park, NSW 2113	DA Applied	Harvey Norman Group	14,477	Mooted
396 Lane Cove Road	Cnr Lane Cove Rd & Waterloo Rd, Macquarie Park, NSW 2113	Early Feasibility	Frasers Property Group / Winten Property Group	74,000	Mooted
Epicentre (Riverside Corporate Park)	Lot 8 Julius Avenue (Incl. Lot 9), Macquarie Park, NSW 2113	DA Approved	ISPT Pty Ltd	34,194	Mooted

Table 5 – Development Sites around North Ryde/Macquarie Park – Source PCA

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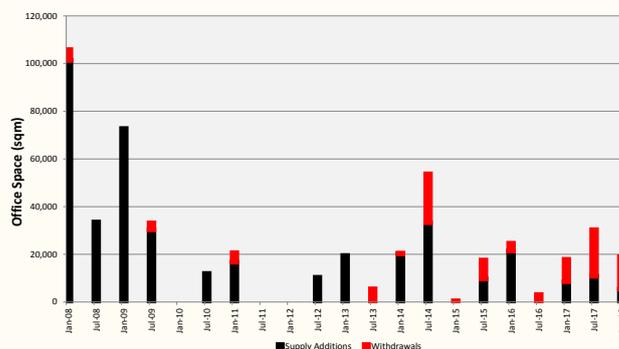
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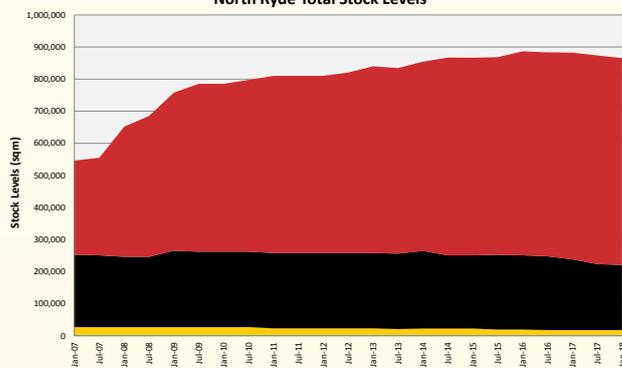
North Ryde/ Macquarie Park Additional Supply and Withdrawals



Source: PCA/Preston Rowe Paterson

Chart 16 – North Ryde/ Macquarie Park Additional Supply and Withdrawals – Source PCA

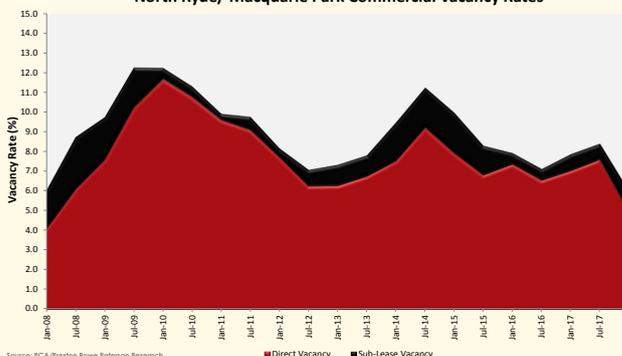
North Ryde Total Stock Levels



Source: PCA/Preston Rowe Paterson

Chart 17 – North Ryde/Macquarie Park Office Stock by Grade - Source—PCA

North Ryde/ Macquarie Park Commercial Vacancy Rates



Source: PCA/Preston Rowe Paterson Research

Chart 18 – North Ryde/Macquarie Park Office Vacancy – Source—PCA

## RETAIL MARKET

### Retail Statistics

Over the month to March 2018, Australia's retail turnover remained unchanged, following an increase of 0.6% in February and 0.2% in January. The positive consumer sentiment and population growth drove the density in metropolitan areas up and therefore greater catchment for established centres.

Although the overall retail turnover in Australia remained unchanged, the turnover in New South Wales declined to \$8.533 billion for the month of March 2018. The highest turnover decline is from Clothing, footwear and personal accessory sector declining by 1.92% to \$762.3 million. This is in contrast to food retailing which showed an increase of 0.92% over the month, resulting in a 5.47% annual increase to \$3.350 billion as of March 2018. This movement reflects a trend of less spending on discretionary goods as wage growth remains low and household debt high.

With strong investment volumes and development pipeline, the retail property in New South Wales continued to perform well.

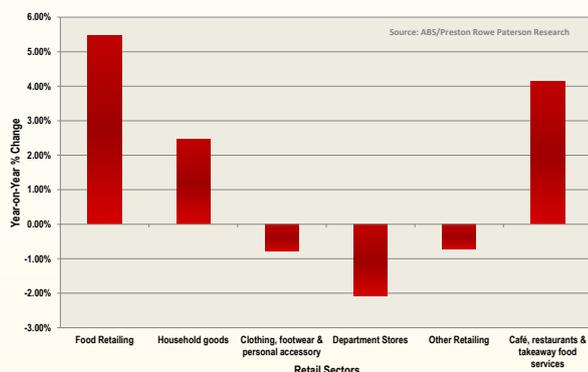


Chart 19—Year on Year % change to March 2018 of retail subgroups—Source—ABS

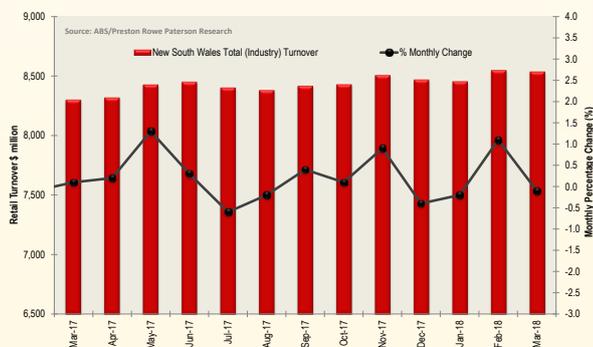


Chart 20—New South Wales Retail Turnover—Source—ABS

### Online Retail

The NAB Online Retail Sales Index modestly slowed by 1.2% to 1.0% over the month to March 2018. NAB indicated that \$25.3 billion were spent over the last twelve months, which is equivalent to approximately 8.1% of spending at traditional retailers (February 2018, ABS). There were improvements recorded in Food catering online retailing (12.5% year-on-year to February vs. 14.2% year-on-year to March) and Media (20.9% vs. 22.6%). On the other hand, declines were recorded in online sales for Homeware & appliances (11.4% vs. 10.4%) and Fashion (10.9% vs. 6.0%). It is to be taken note of that spending on Fashion is most affected by the buy now, pay later payment methods such as Afterpay that masks the category's real performance.

### Investment Activity

#### 5 Toormina Road, Toormina, NSW 2452



Joint owners of **Toormina Gardens Shopping Centre** *Vicinity Centres* and *Challenger* have sold the centre to Sydney-based firm *Fort Street Real Estate Capital* for **\$83.3 million**. The centre is 99% occupied with national retailers representing 80% of the income of the centre. Anchor tenants include **Coles, Woolworths, ANZ and CBA**. The site sold with a **fully leased yield of 7%**. The centre has a lettable area of 21,200 square metre, includes an on-grade car park and sits on a site area of 5.8 hectares. The sale reflects a **rate of \$3,929 per square metre of lettable area**. Toormina is located 527 km north of Sydney and 11 km south of Coffs Harbour CBD.

#### 88 Summer Street, Orange, NSW 2800

The **Orange Summer Centre** has been purchased by *Paul Sanders and Bill Gravanis* in a joint venture for **more than \$22 million**. The centre measures 5,110 square metre of floor area and is anchored by a **Supa IGA and Dan Murphy's**. The centre currently has a 10+ year WALE, and when fully leased generates approximately \$1,666,888 net income p.a. The site includes 2,573 square metre of developable land on a B3 commercial zone and an on-grade car park for 268 vehicles. The sale reflects a **rate of \$4,305 per square metre lettable area and \$1,023 psm site area**. Orange is located 253 km west of Sydney's CBD.



**149-163 Mitchell Road, Erskineville, NSW 2043**



Joint owners *Greenland Australia* and *Golden Horse* have sold 10,000 sqm of retail strata in **Park Sydney**, a 6.9 hectare mixed-use urban regeneration project, for close to **\$100 million**. A separate arm of *Golden Horse* is understood to have made the purchase with the intention to own the units as a separate retail investment. There has been circulating interest over the recently completed properties from *Coles* and *Woolworths* over a potential anchor tenancy. The sale reflects a **rate of \$10,000 per square metre lettable area**. Erskineville is located 6 km south west of Sydney's CBD.

**17 Lawson Street, Byron Bay, NSW 2481**



The **Lawson Arcade** has sold to a Hong Kong based investor for **\$6.48 million**. The fully leased complex contains 3 shops, 2 restaurants and 4 office suites over 594 square metres of floor area. Generating \$465,000 in gross annual income, this sale was done on a **yield of 4.7%** whilst the sale reflects a **rate of \$10,909 per square metre lettable area**. Byron Bay is located 758 km north-east of Sydney and 165 km south-east of Brisbane.

**Lots 1 & 2, 270 Liverpool Road, Ashfield, NSW 2131**



Developer *Ash Securities* has sold two adjoining ground-floor retail units in a recently completed mixed-use development for a combined **\$14.5 million**. The shops are centrally positioned on Ashfields retail strip, in close proximity to Ashfield Station. Lot 1 is a 789 square metre premise with 16 parking bays, subject to a new 10+10 year lease from **Chemist Warehouse**. The property generates a net income of \$424,175 per annum and sold for **\$8.88 million on a yield of 4.89%**, reflecting a **rate of \$11,254 per square metre lettable area**. Lot 2 is a 274 square metre premise with 8 car spaces, leased to **ANZ Bank** on a 7+10 year lease expiring in 2033. It sold for **\$5.56 million**. With a net income of \$251,847 p.a., the sale gives a **yield of 4.53%** and shows a **rate of \$20,291 per square metre lettable area**. Ashfield is located 8.9 km south-west of Sydney's CBD.

## INDUSTRIAL MARKET

### Investment Activity

#### 3-19 Military Road, Matraville, NSW 2036



*EG Funds Management* has traded in its purpose-built waste transfer facility for a sum of **\$20.9 million**, a private local investor picking up the property. **Veolia Environmental Services** occupy the complex, which generates \$1.03 million net annual income and comes with a substantial 19.88 year WALE. The site sold on a **yield of 4.92%** and a **rate of \$1,601 per square metre site area**. Matraville is located 11.1 km south of Sydney's CBD.

#### 8-10 Moore Street, Banksmeadow, NSW 2019

*Leda Holdings* has purchased a 1.85 hectare industrial site for **\$36 million** from private owner-occupiers. *Leda* plan to develop the site into storage units and warehousing after a lease-back provision to the previous owners expires at the end of the year. The site sold on a **rate of \$1,935 per square metre site area**. Banksmeadow is located 11.3 km south of Sydney's CBD.

#### 149 Orchard Road, Chester Hill, NSW 2162

Private investors have exchanged the industrial site off-market for **\$21 million**. The site has a floor area of 15,577 square metres, which is fully occupied by **Integrated Packaging** for a net annual income of \$1.4 million, giving a **net yield of 6.66%**. The sale shows a **rate of \$1,348 per square metre lettable area**. Chester Hill sits 22.8 km west of Sydney CBD.

#### 18-30 Vallance Street, St Marys, NSW 2760



*Structalam Timber Products* has sold a three-building industrial property in Sydney's far west to a private buyer for **\$11.2 million**. The 9,765 square metre premise contains 380 square metres of modern office space including a foyer area and a large high clearance warehouse. The property has a land area of 2.07 hectares which includes an extensive hardstand yard. The sale reflects a rate of **\$1,147 per square metre lettable area**. St Marys is located 45 km west of Sydney CBD.

#### 2-6 Moore Street, Banksmeadow, NSW 2019

Private syndicate *Ambot* has sold a 4.4 hectare industrial warehouse property for **\$72.4 million**, after paying \$26.2 million in 2008. The property was purchased by industrial investor and developer *LOGOS*, who recently launched a \$500 million fund to acquire similar assets, who are leveraging on future increased demand of logistical warehouse properties from the growing online retail sector. The property is fully leased to packaging company *Orora*. The property sold on a **rate of approximately \$3,790 per square metre gross floor area** and **\$1,645 per square metre site area**. Banksmeadow is located 11.3 km south of Sydney's CBD.

#### Lot 5 Pine Road, Yennora, NSW 2161



*LOGOS* has sold an industrial facility opposite the Yennora Intermodal Terminal for **\$14.15 million** to a private owner occupier. The property is set on a 3.581 hectare allotment with approximately 25% site coverage and features a high clearance warehouse with multiple roller doors and drive-thru access. The sale reflects a **rate of \$1,595 per square metre gross building area**. Yennora is positioned 25.2 km west of Sydney's CBD.

#### 23 Bourke Road, Alexandria, NSW 2015



Development and investment firm *Tipalea Partners* have purchased the 6,175 square metre industrial/office site for **\$24.5 million**. The site currently comprises four warehouse/office units containing 4,935 square metre lettable area. The firm owns the adjoining 29 Bourke Road and plans to develop the sites into a 5-unit warehouse, retail and office strata complex to maximise on the region's growing population. The site is closely positioned to the \$13 billion Green Square development. The sale shows **rates of \$3,968 per square metre site area** and **\$4,965 per square metre lettable area**. Alexandria is positioned 3.9 km south of Sydney's CBD.



## Leasing Activity

### 3 Antill Street, Yennora, NSW 2161

*TDK Framework* has agreed to lease a 1,383 square metre warehouse for a period of **3-years** with options. The facility is high clearance, contains one roller door and has 250 square metres of office space. The building was leased for **\$152,130 net per annum**, representing a **rate of \$110 per square metre lettable area**. Yennora is situated 25.2 km west of Sydney's CBD.

### 324 Woodpark Road, Smithfield, NSW 2164



*WesTrucks* has secured a 4,205 square metre industrial warehouse and office facility with a maximum height of 10.4 meters and 5 on-grade roller doors for the next **5-years**. The deal was agreed at a **gross rate of \$131 per square metre lettable area** with owners *Goodman Group*. Smithfield is located 28.9 km west of Sydney CBD.

### 96 Beaconsfield Street, Silverwater, NSW 2128

*Flowers for Everyone* has signed a **5-year lease** for an industrial property in Silverwater, including two roller doors and a dual driveway. The freestanding warehouse, measuring 1,553 square metres, was **let at a rate of \$135 per square metre lettable area**. Silverwater is situated 18.6 km north-west of Sydney's CBD.

### 46 Birmingham Street, Alexandria, NSW 2015

*Hub Furniture Lighting Living* has signed a **10-year** lease with options for a 2,400 square metre industrial facility. The two storey building is positioned on a corner allotment. The lease reflects a **rate of \$267 per square metre lettable area**. Alexandria is situated 3.9 km south of Sydney's CBD.

### 9 Walker Place, Wetherill Park, NSW 2164

*True Blue Timber* has signed a **5-year** lease for an industrial property containing carpeted and partitioned office space, concrete hardstand and a high-bay warehouse with four high-clearance roller doors. These improvements measure 2,580 square metres and rest on a 5,630 square metre site. The lease was struck at a **rate of \$132 per square metre lettable area**, giving a total rent of **\$340,000 per annum gross**. Wetherill Park is located 31.9 km west of Sydney CBD.

### 1/10 Progress Circuit, Prestons, NSW 2170

Adelaide firm *Petrol Services Australia Pty Ltd* have secured a **3-year lease** with options over the new 1324 square metre building, which contains a roller door, office space and warehousing. The lease was done on a **net annual rent of \$135 per square metre**.

### Building 2, 43-49 Cowpasture Road, Wetherill Park, NSW 2164

A subsidiary of ASX-listed Brickworks, *Austral Precast*, has secured a **5-year** lease with options for a 3,980 square metre office and warehouse facility for **\$458,000 per annum net**. The deal includes 3.34% in incentives and 2 months rent free. The property features loading docks, a roller shutter door and high bay racking. The deal was agreed at a **rate of \$115 per square metre lettable area net**.

### 30 Loftus Road, Yennora, NSW 2161

A recently refurbished industrial warehouse facility has leased to construction equipment supplier *Porter Group* for **\$544,500 net per annum**. The 3,300 square metre property is leased for a term of **5-years**. It contains new walls and roof sheeting, new roller shutter doors and a new concrete floor. The property has excess land supply for outside equipment storage. The deal was done on a **net rate of \$165 per square metre lettable area**.

## RESIDENTIAL MARKET

### Building Approvals

The total building approval in the Greater Sydney region increased by 5.4% over the month to March 2018, to 4,222 approvals indicating a 1.9% increase over the year. The total number of building approvals in 2018 to date is 11,788 comprising 4,040 (or 34.3%) for houses and 7,748 (or 65.7%) for units.

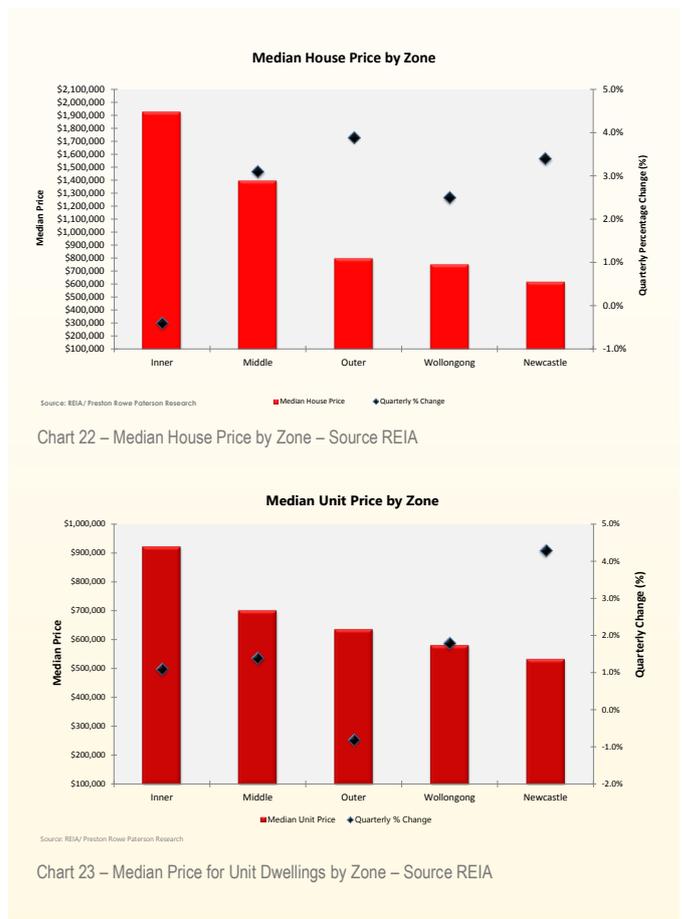
The construction approval in the Greater Sydney region for non-house dwellings for March quarter 2018 amounts to 2,731. This figure reflects an increase of 9.8% over the month and 17.51% year on year. Over the same period, construction approvals of houses decreased by 1.78% over the month to 1,491 approvals, representing a decrease of 17.9% year on year.

### Market Affordability

The December quarter 2017 edition of the REIA real estate market facts reported that the median house price in Sydney slightly increased by 0.5% over the quarter, to \$1,079,500. This figure indicates an year on year, positive change of 4.0%, with middle and outer areas of Sydney experiencing positive growth while Inner Sydney experienced a slight decline.

Inner Sydney house prices declined by 0.4% over the quarter, and 0.6% over the year to \$1,925,000. On the contrary, Middle Sydney and Outer Sydney experienced an increase of 3.1% and 3.9% over the same quarter, resulting to a 4.6% and 3.9% increase year on year respectively.

Unit dwellings which include apartments and townhouses in Sydney experienced a quarterly decline of 0.4% in median unit price, to \$736,900. This figure still reflects a positive annual change of +1.7%. While Outer Sydney experienced a slight decline of 0.8% over the quarter, both Inner Sydney and Middle Sydney experienced positive changes of 1.1% and 1.4%. Although the quarterly change for Outer Sydney is negative, the year on year change stays positive at 2.4%. Inner and Middle Sydney experienced positive year on year gains, showing 2.2% and 1.6% growth of prices, respectively.





## Rental Market

Over the December 2017 quarter, the highest increase in median weekly house rent came from the Outer Sydney's 3 bedroom houses with an increase of 2.2% to \$460 weekly. In contrast, the 2 bedroom median house rent for Outer Sydney and Middle Sydney remains unchanged while the both the Inner Sydney 2 and 3 bedroom houses experienced a decline of 1.3% (to \$740 weekly) and 1.0% (to \$985 weekly) respectively. A decline in median weekly house rent is also seen in Middle Sydney's 3 bedroom houses at -1.6% to \$600 weekly.

The median weekly rent for unit dwellings in Sydney modestly increased over the quarter to December 2017. Outer Sydney 1 bedroom units median weekly rent increased over the period by 2.4% to \$430 while Middle Sydney 1 bedroom units declined by -2.1% (to \$470 weekly) yet Inner Sydney 1 bedroom units median weekly rent remains unchanged. Similar to the Inner Sydney 1 bedroom units, median weekly rents for the 2 bedroom units across Inner, Middle and Outer Sydney remains unchanged at \$700, \$520 and \$460 respectively.

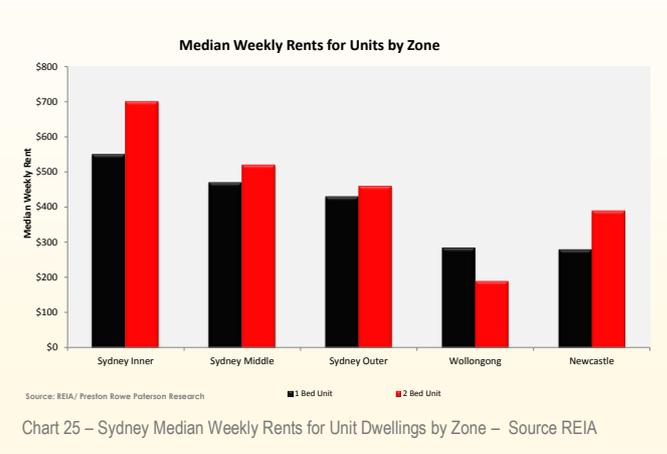
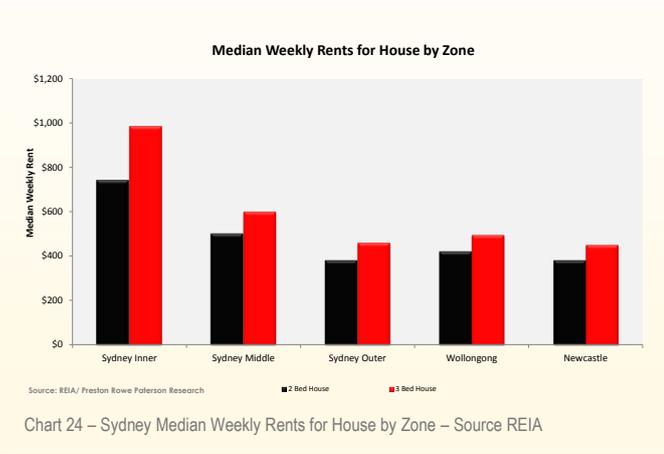


Chart 24 – Sydney Median Weekly Rents for House by Zone – Source REIA

Chart 25 – Sydney Median Weekly Rents for Unit Dwellings by Zone – Source REIA

## Residential Vacancy Rates

The Residential vacancy rates from REINSW indicated an increase in Inner and Middle Sydney while Outer Sydney remains unchanged. Both Inner and Middle Sydney vacancy rose by +0.1% over the month to March 2018 to 1.9% and 2.6% respectively. Annually, vacancy in the Sydney metropolitan market indicates a slight increase of +0.5% to 2.5% with Middle Sydney experiencing the highest increase over the year to March 2018, of +1.2%. Inner and Outer Sydney both experienced a modest increase of +0.3% and +0.2%, bringing their respective vacancy rates up to 1.9% and 2.3% as of March 2018.

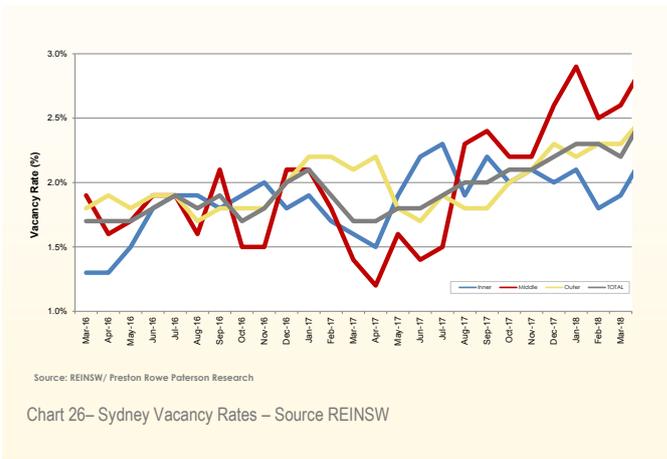


Chart 26 – Sydney Vacancy Rates – Source REINSW



## NEWCASTLE

### Market Affordability

The median house price in Newcastle jumped 15.2% over the year to December 2017, reflecting a 3.4% increase over the quarter to \$620,000. In similar trend, the median price for unit dwellings also recorded a positive quarterly change of 4.3% to \$532,000.

### Rental Market

The median weekly rent for 2 bedroom houses in Newcastle did not show any changes over the quarter, remaining at \$380 while 3 bedroom houses in Newcastle increased by 2.3% to \$450. These figures reflect an increase of 2.7% for the 2 bedroom houses and 5.9% for the 3 bedroom houses annually. Unit dwellings in Newcastle show similar trends, the 1 bedroom unit weekly rents in remains unchanged over the December quarter, remaining at \$280 while the weekly rent for 2 bedroom units increased by 2.6% to \$390. Over the year, weekly rent for 1 bedroom dwellings increased by 5.7%, whilst rent for 2 bedroom dwellings increased by 6.8%.

## WOLLONGONG

### Market Affordability

Over the December quarter, Wollongong's median house price increased by 2.5% to \$682,000. This price reflects an annual change of 10.8%. Unit dwellings in the area shows similar trend, the median price rose by 1.8% over the quarter to \$580,000. This price reflects a 10.5% annual increase.

### Rental Market

The median weekly rent for houses in Wollongong shows an increase of 5.0% for 2 bedroom houses and 1.0% for 3 bedroom houses. As for units in Wollongong, median weekly rent for 1 bedroom units declined by 1.7% to \$285 while 2 bedroom units increased by 2.0% to \$390. These figures reflect a positive yearly change of +3.6% and +5.4% respectively.

## Investment Activity

### 51 Coolawin Road, Northbridge, NSW 2063

Fund Manager *David Curtis* has sold his waterfront mansion to a private local buyer for **\$14.5 million**. The 5 bedroom house designed by award winning architect Alex Popov features a jetty, tennis court and an infinity pool. With a land parcel of 2,012 square metres, this sale represents a **rate of \$7,206 per square metre site area**. Northbridge is located 7 km north of Sydney's CBD.

### 1-3 Burran Avenue, Mosman, NSW 2088

*Richard Freudenstein* has sold his 7-bedroom lower North Shore mansion for **\$23-25 million** to a local buyer. The house has panoramic harbour and ocean views and includes an infinity pool, tennis court, 8+ vehicle garage with a car wash bay, wine cellar, gym, home theatre and a games room. The home sits on a 1,650 square metre corner allotment and covers 1,250 square metre of floor area excluding balconies and terraces. The sale gives a **rate between \$18,400 and \$20,000 per square metre lettable area**. Mosman is located 6.5 km north east of Sydney CBD.

### 26 Wonga Road, Cremorne, NSW 2090

*Mark and Sarah McKenzie* have parted ways with their 6-level waterfront home on Sydney's North Shore for **around \$18 million**. The 1,380 square metre property was rebuilt in 2010 to create an ultra-luxurious dwelling of concrete construction, containing a marina birth, saltwater pool overlooking middle harbour, heated floors, 6 bedrooms, 6 bathrooms, a double garage and a lift which gives access to every floor of the house. With a floor area of 1,200 square metre, this sale gives a **rate of \$15,000 per square metre lettable area**. Cremorne is located 6 km north east of Sydney's CBD.

### 3/15 Marine Parade, Manly, NSW 2095

A rare two-storey oceanfront apartment in the northern beaches has sold for **\$5.7 million**. The 3-bedroom unit was on the market for less than 2 weeks before a local buyer made the purchase, which in-turn set a record **rate for the suburb of \$41,000 per square metre lettable area**. It features panoramic views of the ocean, dual street access, a double lock-up garage and is positioned 660m east of Manly Wharf. Manly is located 12.4 km north east of Sydney CBD.



## RESIDENTIAL DEVELOPMENT

### 148-152 Marsden Road, Dundas Valley, NSW 2117



Two private buyers have purchased a DA approved, 16-townhouse development site from *Tribeca Advisory* for **\$5.2 million**. The medium density site spans 3,297 square metres and is situated on a main thoroughfare. Some excavation and earthworks had commenced prior to sale. This purchase reflects a **rate of \$325,000 per townhouse site**. Dundas Valley is located 21 km north-west of Sydney's CBD.

### 176-184 & 186-190 Princes Highway, Kogarah, NSW 2217

Home owners in Sydney's south west have banded together to sell their homes 'in-one-line', to maximise on recent re-zonings. The site at 176-184 Princes Highway, with an amalgamated area of 2,491 square metres made up of 5 lots, sold for **\$9.8 million**. With a potential yield of 56 apartments, this reflects a **rate of \$175,000 per unit site**. The adjoining 186-190 has an area of 3,077 square metres made up of 5 residential lots. This has a potential 70 apartment yield and sold for **\$10.8 million**, reflecting a **rate of \$154,286 per unit site**. The sites enjoy views of Botany Bay. Kogarah is situated 13.6 km south west of Sydney's CBD.

## SPECIALIZED PROPERTY MARKET

### Investment Activity

#### 180-182 St Johns Road, Glebe, NSW 2037

The former **Roxbury Hotel** and a terrace house have sold in one-line for **\$5.55 million**. The purchaser intends to follow through with approval gained for a mixed use development comprising 25 self-contained student accommodation units and ground floor retail. This sale shows a rate of **\$11,235 per square metre site area** and **\$222,000 per proposed unit site**. Glebe is located 2.7 km south-west of Sydney's CBD.

#### 45 Darling Point Road, Darling Point, NSW 2027

A site pitched at residential developers has been picked up by an adjoining private school for **\$14 million**. The 962 square metre block of land sold with an R3 zoning and a 4-level height allowance, however purchasers *Ascham School* plan to add the property to their campus and use it for educational purposes. This sale reflects a **rate of \$14,553 per square metre site area**. Darling point is located 3.8 km east of Sydney's CBD.

## HOTELS & LEISURE MARKET

### Investment Activity

#### 310 Miller Street, North Sydney, NSW 2060



A private investor has bought the **North Shore Hotel** off-market for **\$10 million**. The 27-room boutique hotel is a manor house, sitting on 881 square metre of residentially zoned land opposite North Sydney Oval and St Leonards Park. It sold on a **7% net yield**. The sale gives a **rate of \$370,370 per room**. North Sydney is situated 3.8 km north of Sydney's CBD.

#### Cnr Australis Ave & Village Way, Wattle Grove, NSW 2173

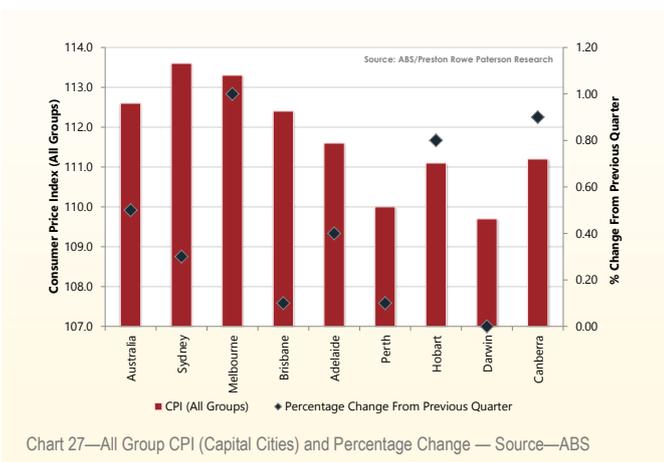
Pub group *Redcape* have purchased the newly renovated **Wattle Grove Hotel & Liquor Store** for **\$25 million**. The pub is situated next to a Coles supermarket and features a public bar, TAB, bistro, beer garden and a gaming room with 25 EGMs. The sale was done on a yield of approximately 9%. The sale also includes a separate leasehold liquor store located inside the adjacent shopping centre. On a floor area of approx. 610 square metres this sale reflects a **rate of \$40,984 per square metre lettable area**. Wattle Grove is situated 30 km south-west of Sydney's CBD.

## ECONOMIC FUNDAMENTAL

### Consumer Price Index

Over the three months to March 2018, Australia's Consumer Price Index (CPI) increased by 0.4%, elevating the inflation rate to 1.9% over the last twelve months. Over the quarter, strong increases stemming from the education sector (+2.6%), health (+2.2%) and transport (+1.1%) were offset by the declines in clothing & footwear (-2.0%), recreation & culture (-0.7%), furnishings, household equipment and services (-0.4%) as well as communication (-0.4%).

CPI of all of Australia's capital cities increased apart from Darwin. The CPI of Darwin remains unchanged over the quarter, however, this figure reflects a +1.2% change over the year to March 2018. Melbourne recorded the largest increase in CPI at 1.0% over the quarter, followed by Canberra and Hobart at 0.9% and 0.8% increase respectively.



### Consumer Sentiment

According to the Westpac—Melbourne Institute Consumer Sentiment Index, overall consumer sentiment in March 2018 increased by 0.2% over the month to an index of 103.0 from 102.7 in February. Westpac noted that consumer sentiment remains slightly optimistic as March 2018 holds the fourth consecutive month recording above the 100 index following a low performing 2017. The increase is influenced by the low interest rate environment and employment rate becoming more favourable than it was during 2017. However, there are still increasing concerns around domestic and international economic conditions and confidence around job prospects, keeping the consumer sentiment relatively modest.

### Business Sentiment

According to the NAB Quarterly Business Survey, confidence amongst Australian businesses remains unchanged at +7 index points over the quarter to March 2018. However, NAB did note that despite the unchanged business confidence, business conditions increased by two basis points to +17, the highest recorded level since 2007. The improvement in business conditions reflected the improvement in employment and trading conditions.

The NAB survey suggests that the main concerns affecting business confidence in Australia are pressure on margins, wage costs, government policies and regulations. Business confidence were positive for all industries other than property (-8) and finance (-3). Retail (+8), manufacturing (+7), wholesale (+7), transport & utilities (+4) and recreational & personal (+3) experienced strong levels of confidence, whilst mining (+19) construction (+10) and business (+11) continue to see the strongest levels of growth amongst all industries.



Chart 28—Consumer Sentiment Index —Source—Westpac Melbourne Institute Survey

	Mar 2018	Feb 2018	Mar 2017	Mar 2016
<b>Consumer Sentiment Index</b>	103	102.7	99.7	99.1
<b>Family finances vs. a year ago</b>	86.6	84.6	78.5	87.3
<b>Economic conditions next 12 mth</b>	100.4	98.8	98.1	95
<b>Time to buy a dwelling</b>	104.5	103.8	99.6	104.7

Table 6—Consumer Sentiment —Source—Westpac Melbourne Institute Survey

## Gross Domestic Product

Australia's economy increased by a seasonally adjusted 0.4% over the December quarter 2017, following an increase of 0.7% recorded in the September quarter. Over the year, the economy grew by 2.4%, which is below Australia's historical trend growth rate of 2.75%. Over the December quarter, household final consumption expenditure increased by 1.0%, which is considerably higher than the upwardly revised September quarter figure of 0.5%. It is noted that all components of the group increased, except for Food and Utilities, with a major influence from discretionary spending in Hotels, cafes & restaurants and recreation & culture.

Overall final demand in Australia increased by 0.6% in the December quarter, with increases recorded in all states except for Western Australian and the Northern Territory. The Australian Capital Territory, Tasmania and New South Wales recorded the largest increases in final demand over the quarter, at 1.6%, 1.3% and 1.0% respectively. Queensland, South Australia and Victoria recorded increases of 0.9%, 0.8% and 0.3% respectively. The Northern Territory recorded a decline of 7.6% in final demand, whilst Western Australia recorded a decline of 0.2%.

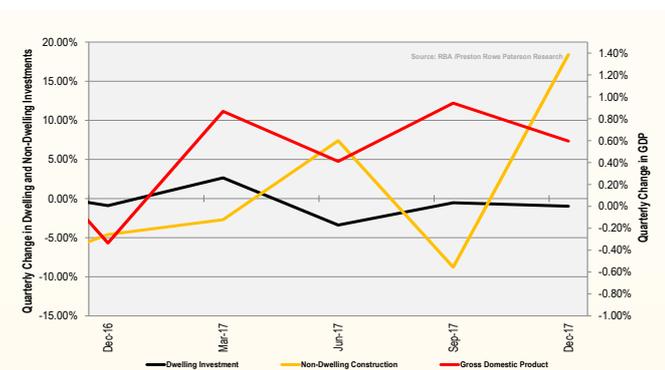


Chart 29— Percentage Change in Dwelling, Non-Dwelling Investments and GDP— Source: ABS



Chart 30— Seasonally Adjusted GDP and Seasonally Adjusted Change in GDP— Source: ABS

## Unemployment

The national unemployment rate remained unchanged at 5.5% over the quarter to March 2018 and the participation rate decreased by 0.1% to 65.5% over the same period. The 24,400 part time jobs filled over the month offset by the 25,100 decrease in full time job positions reflect a broader push to a casualization of the workforce. Over the year to March 2018, 366,300 persons have been employed, of which 226,500 were employed on a full time basis and 139,800 on part time employment. Notably, this is the first quarter that the employment rate remained unchanged after the consecutive monthly increase over the year to December 2017. Additionally, the employment to population ratio decreased by 0.1% to 61.9% over the month and increased by 0.8% over the year.



Chart 31— Unemployment Persons and Unemployment Rate— Source: ABS

	Unemployment Rate (%)		Participation Rate (%)			
	February	March	February	March		
<b>Australia</b>	5.5	5.5	—	65.6	65.5	▼
<b>New South Wales</b>	4.8	5.0	▲	64.6	64.5	▼
<b>Victoria</b>	5.7	5.3	▼	65.5	65.6	▲
<b>Queensland</b>	6.2	6.1	▼	66.2	65.9	▼
<b>South Australia</b>	6.2	5.6	▼	63.3	62.4	▼
<b>Western Australia</b>	6.1	6.9	▲	68.1	68.7	▲
<b>Tasmania</b>	6.0	6.1	▲	61.2	61.4	▲
<b>Northern Territory*</b>	4.3	4.3	—	76.1	76.2	▲
<b>Australian Capital Territory*</b>	4.0	4.0	—	72.0	71.7	▼

Table 7— Unemployment Rate and Participation Rate — Source: ABS

\* Trend figures used for NT and ACT as seasonally adjusted data for both are not publicly

## 10 Year Bond & 90 Day Bill Rate

The 10 Year Australian government bond yields floated between 2.58% to 2.86% over the quarter, peaking on February and down to an average of 2.72% on March. This figure indicates a decline by 0.16% over the month but an increase of 14 basis points from December's average of 2.58%. On the other hand, the 90-Day bank bill swap rate increased by 19 basis points over the month of March to 1.93% and 14 basis points over the year.

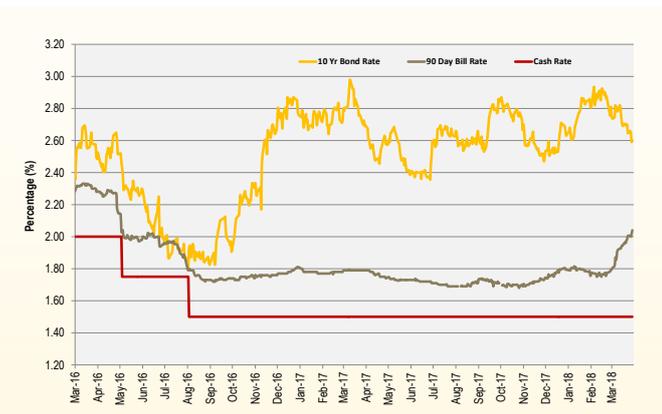


Chart 32— Monthly movement of 90-day Bill, 10-year bond yields and Cash rate — Source: RBA

## Interest Rates

Interest rate was kept unchanged for the eighteenth meeting in a row in March 2018, with the cash rate remaining at 1.5%. The Reserve Bank of Australia based its decision on the fact that although uncertainties remain, the global economy has improved modestly over the past year with advanced economies growing and low employment rates.

Australia's major trading partner, China, is also still showing solid growth and RBA noted that the authorities are paying more attention to debt risk in the financial sector. The global economy has also contributed to the price increase of oil and other commodities over the year and RBA expects Australia's terms of trade to decline in the near future, albeit remaining at a relatively high level.

Australia's economy is forecasted to grow on faster this year than 2017 as business conditions and non-mining business investment continues to grow. Inflation and wage growth remains low, as is the same for most developed countries, though the RBA expected for unemployment to reduce and inflation to return to the target gradually.



Chart 33— Movement of the Cash Rate — 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 1.6% to buy USD0.7665. Furthermore, the Australian Dollar declined against the UK Pound, the Euro, the Japanese Yen and New Zealand Dollar, with \$AUD1 buying £0.5444 (-2.8% m-o-m), €0.6217 (-2.4% m-o-m), ¥81.61 (-2.3% m-o-m) and \$NZD1.0646 (-1.2% m-o-m) respectively. Over the quarter, the Australian Dollar fared worse, depreciating 1.7% against the US Dollar, 6.1% against the UK Pound, 4.8% against the Euro, 7.2% against the Yen and 3.14% against the New Zealand Dollar. The Australian exchange rate remained within the range of where it has been over the past two years. RBA expects the low exchange rate will let the economy pick up in a faster rate.

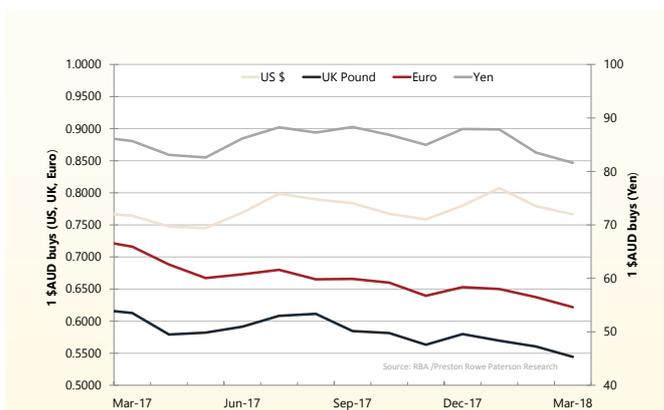


Chart 34— Movement in Exchange Rate — Source: RBA



## **Our Research**

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

## **We have *property* covered**

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

## **We have all *real estate* types covered**

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

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

## **We have all types of *plant & machinery* covered**

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

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

## **We have all *client profiles* covered**

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

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



## **We have all *locations* covered**

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

## **We have your *needs* covered**

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

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



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