Trends in property markets

PRRES Conference Industry Day
25 January 2006

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cope of presentation

- Top 5 trends
- Sectors, cycles & structural shifts
- The message

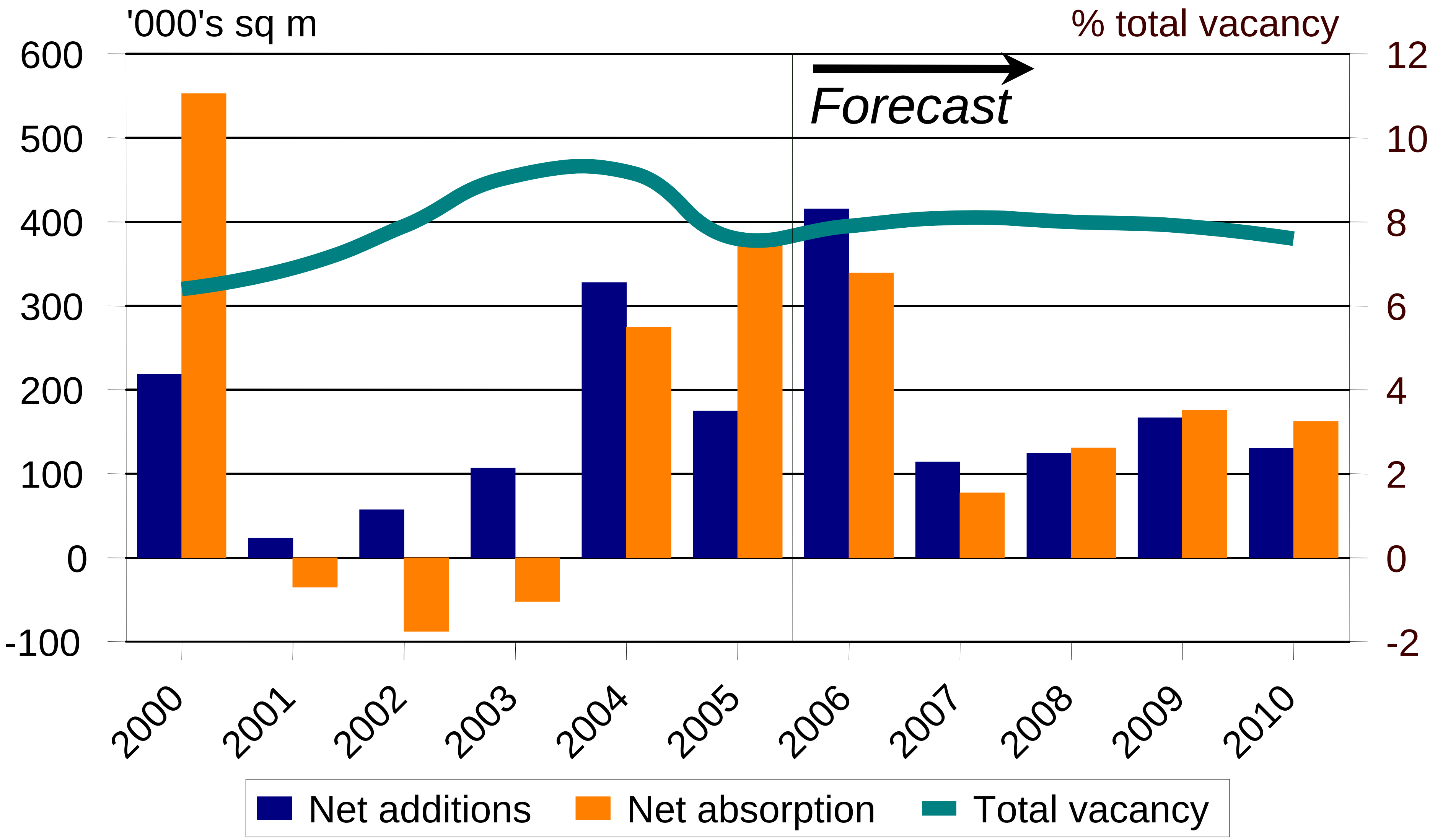
Top 5 Trends

he trends	The implication
1. Weight of capital	Price increases Scarcity of stock Global industry
2. Ageing of the population	Lower retail turnover Less workers Emphasis off big cities
3. Green issues	Tenant choices More suburban bldgs
4. Urban growth	Long term vision Transport & access Infrastructure funding
5. Fewer property companies	Behaviour distortions

Sectors, cycles & structural shifts

Office

stralian CBD office demand, supply & vacancy



Source : Property Council of Australia &
CBRE Research (January 2006)

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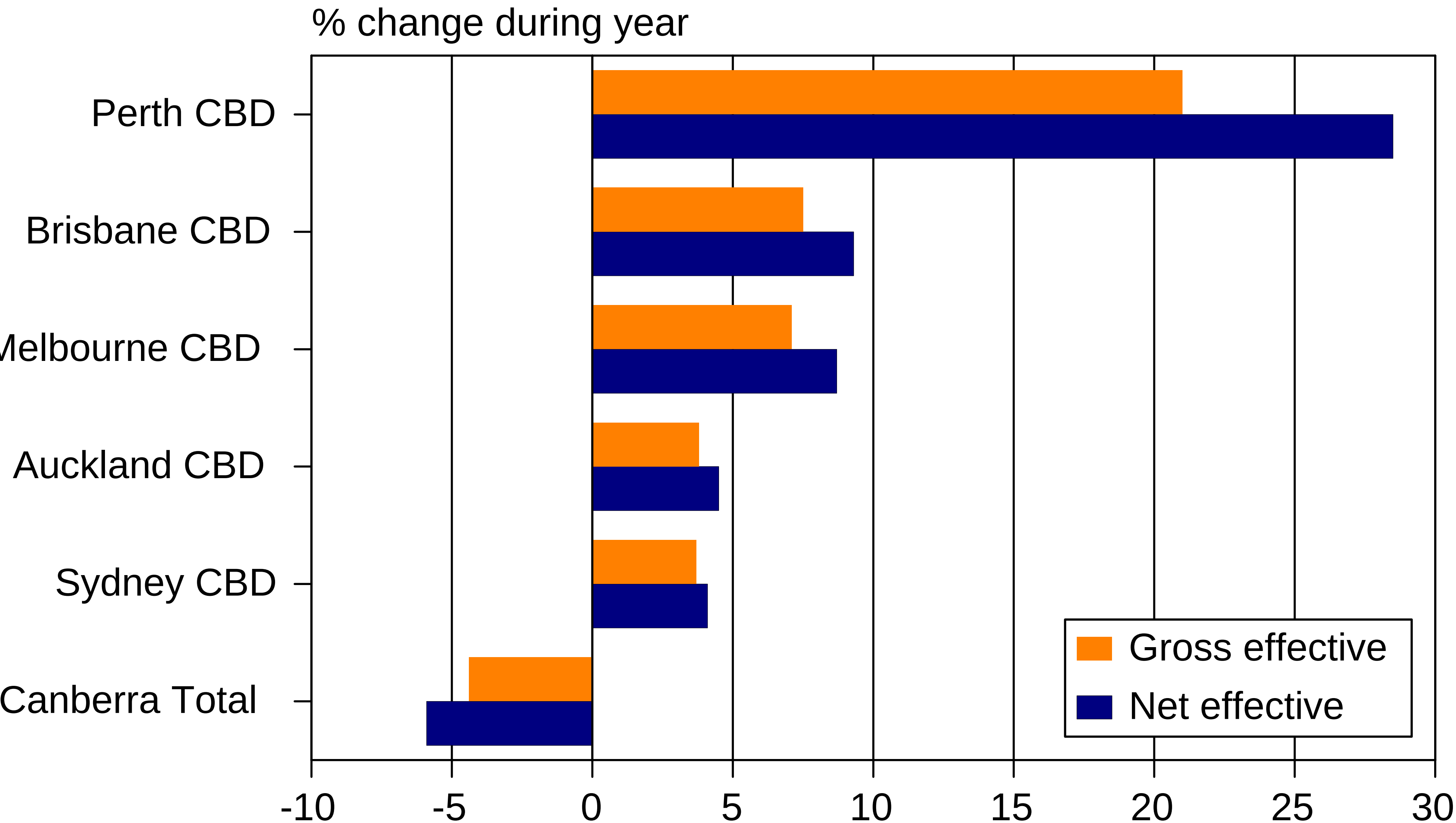
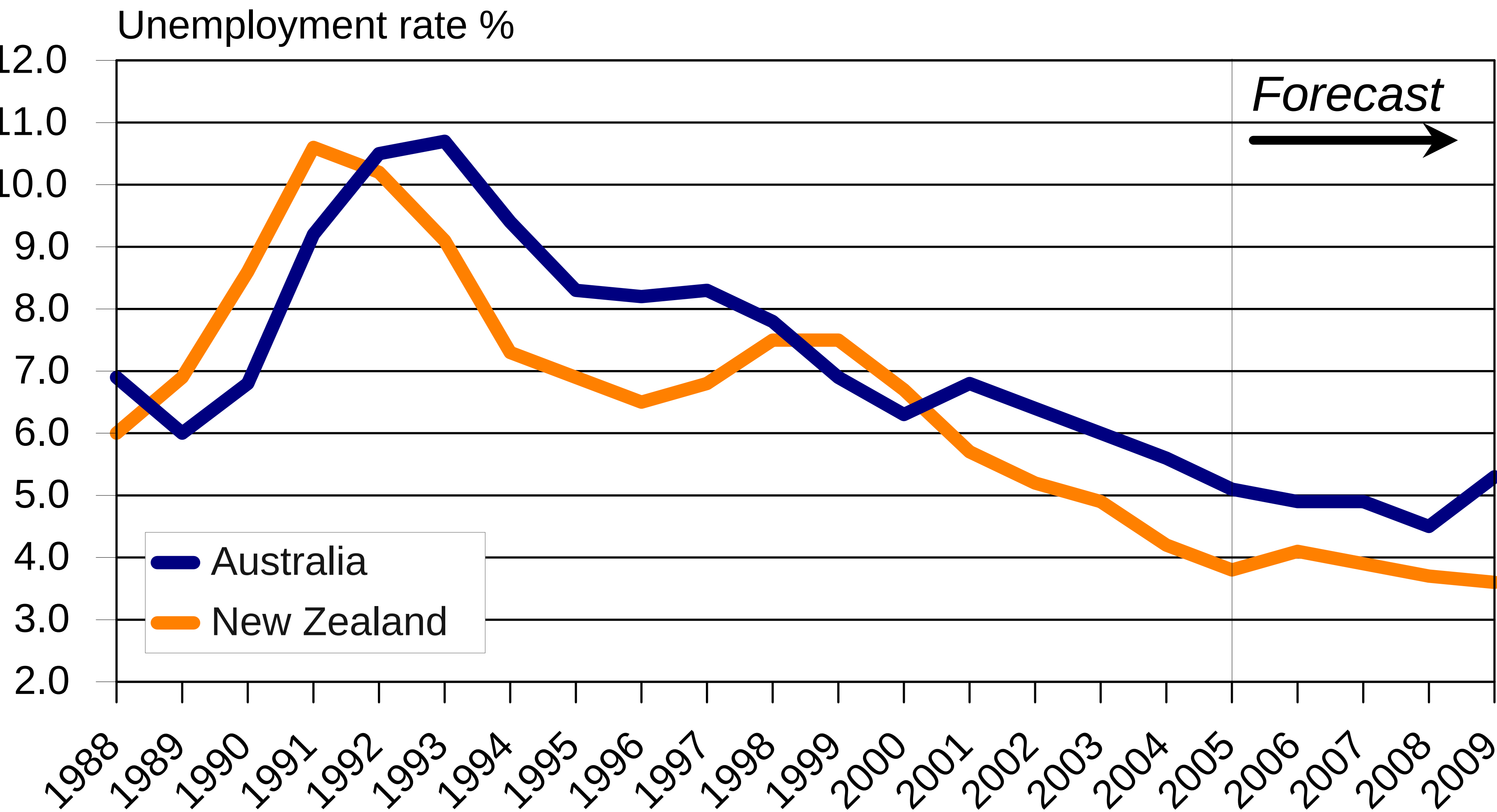
ime office rent growth 2006



Source : CBRE Research (January 2006)

stralia & New Zealand unemployment rate



Source: Australian Bureau of Statistics,
Access Economics & Statistics NZ (Nov 2005)

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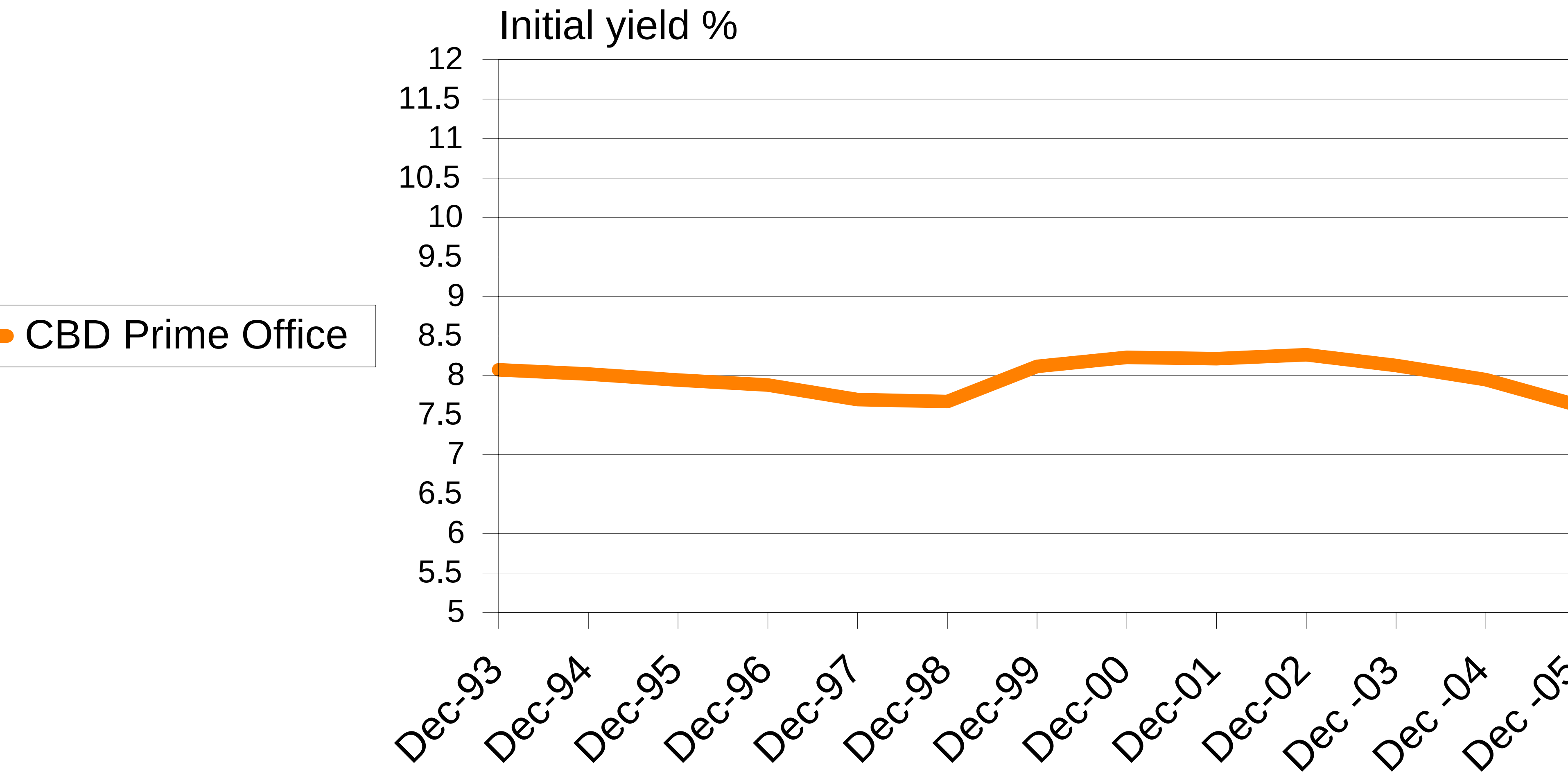
eighted average initial yield trend



Source : CBRE Research

Includes weighted average of Brisbane, Sydney, Canberra, Melbourne, Adelaide, Perth and Auckland

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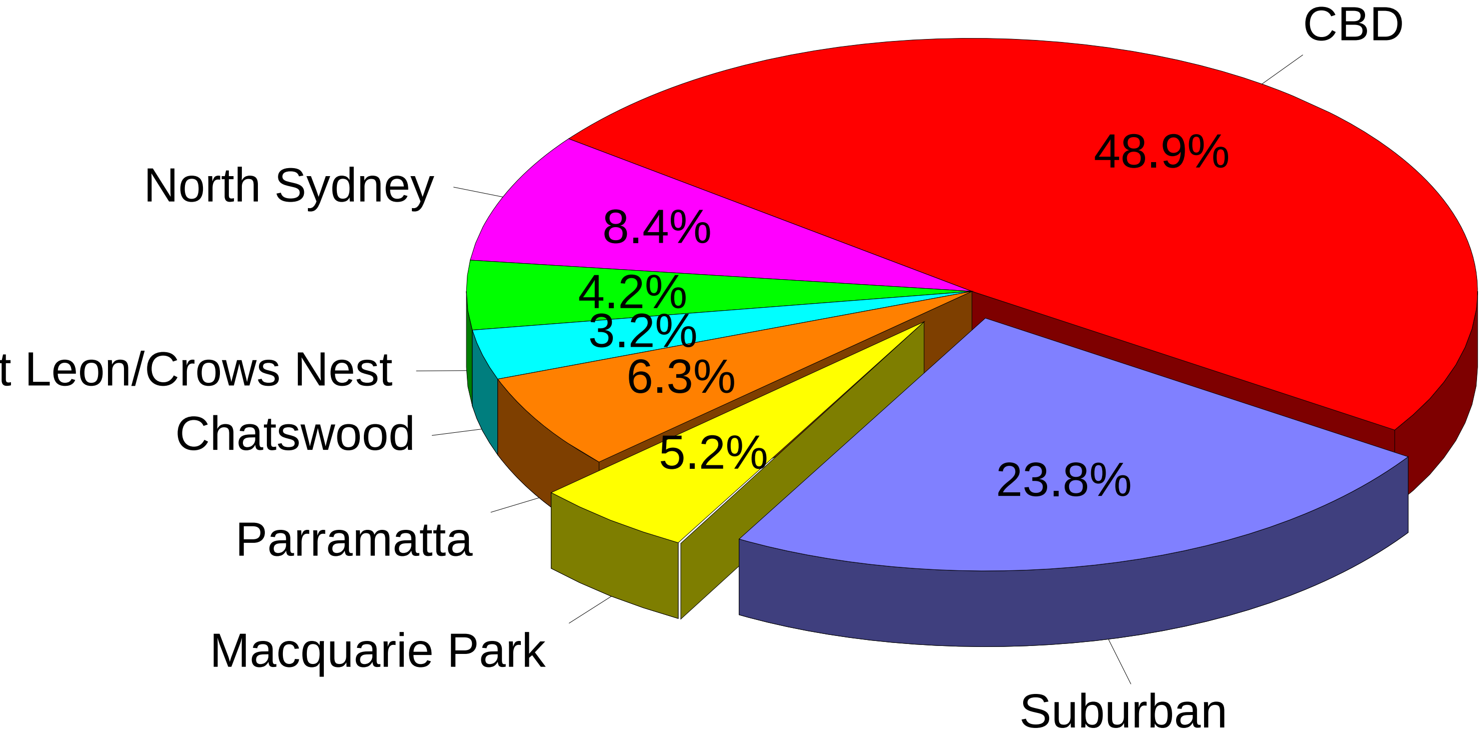
dney metropolitan office stock



Total Office Stock : 9,423,700 square metres

Source : CBRE Research and Property Council
of Australia (July 2005)

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ey office sector trends

Improving fundamentals attracting investment

Significant difference in outlook across markets

Employment peaking; ageing population

Gap in new supply 2007-2008

Non-CBD office increasing share of space

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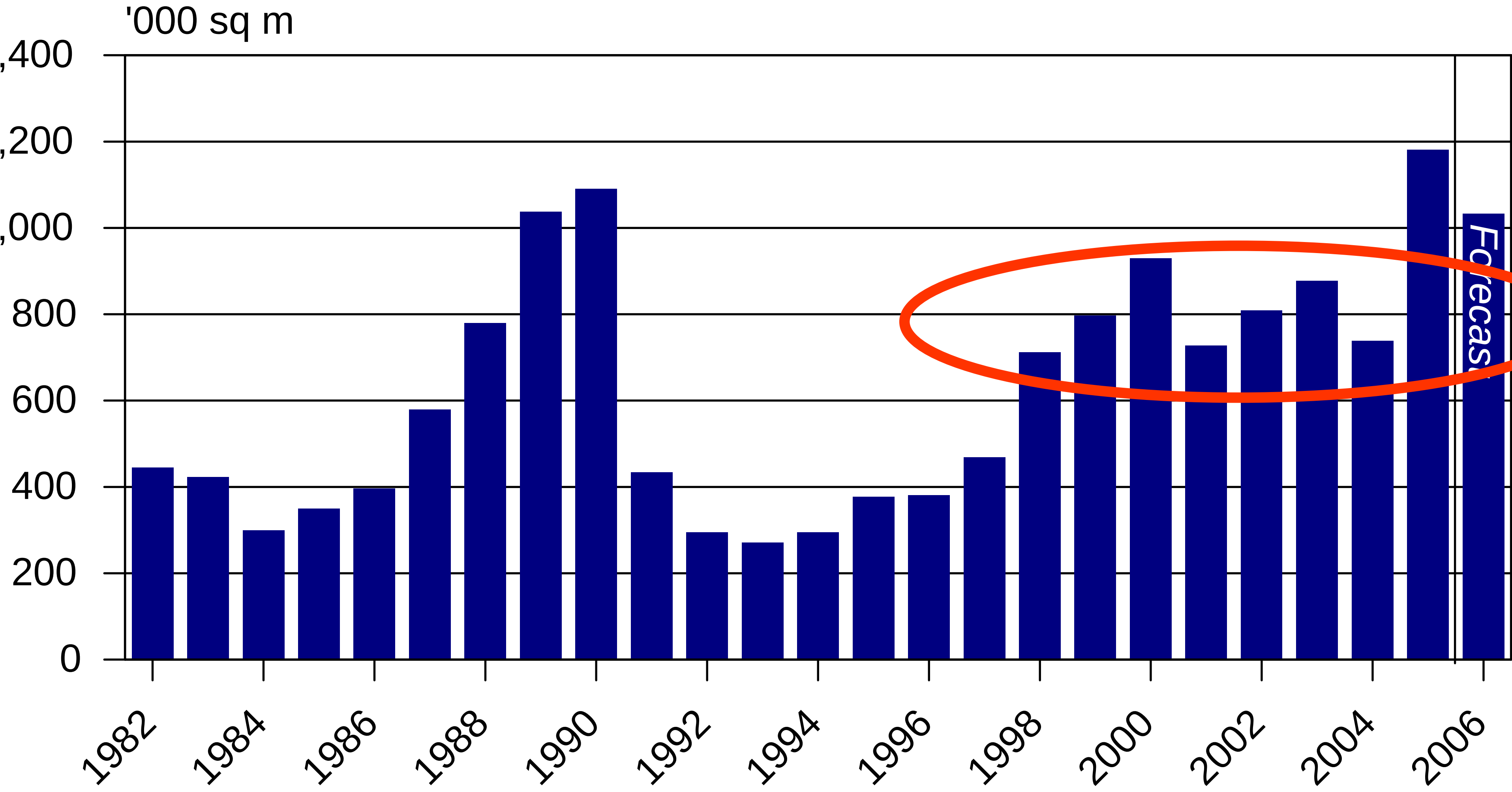
Industrial

elbourne industrial construction defies cycles



Source: ABS & CBRE Research (Jan 2006)

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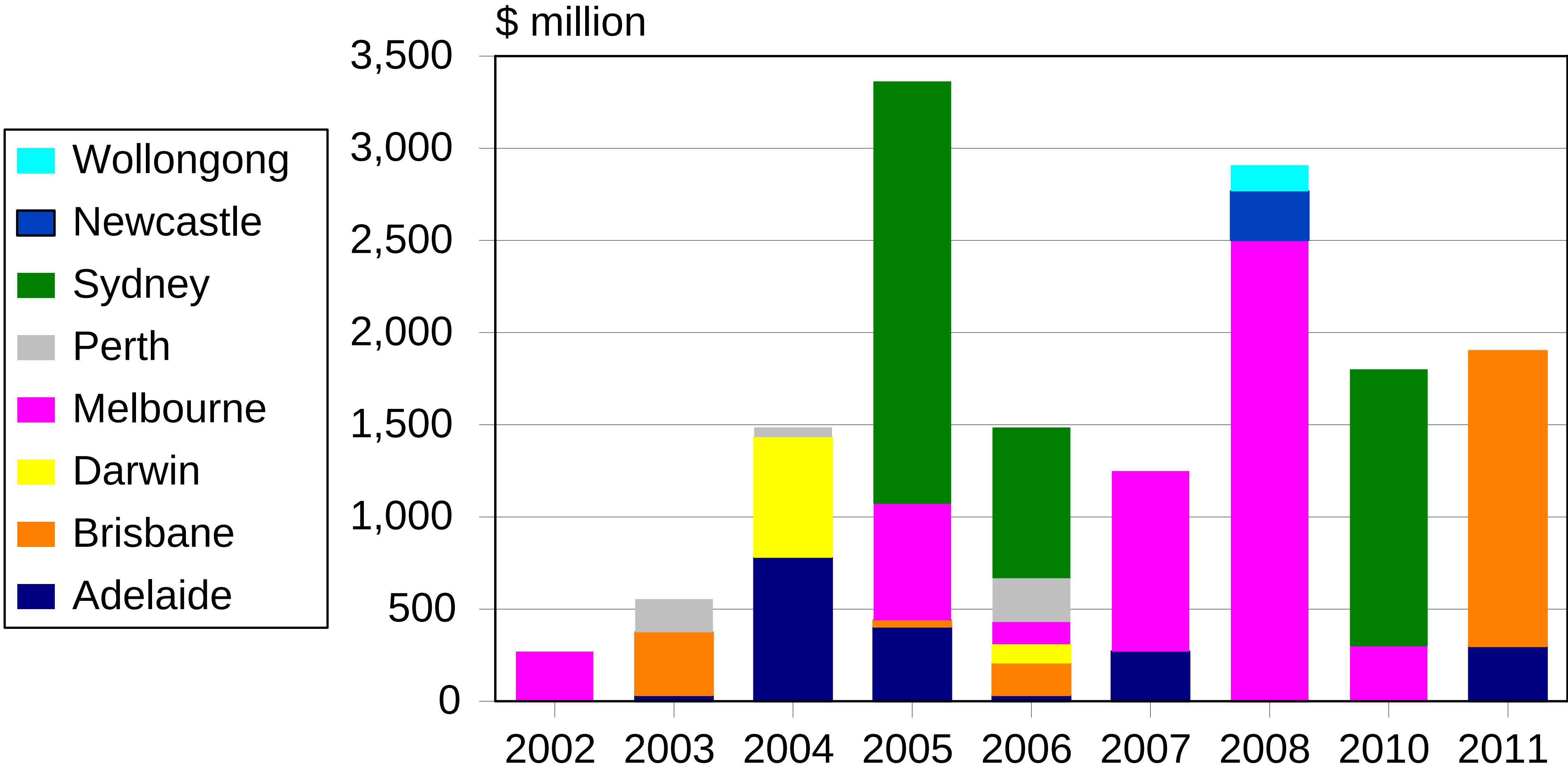
...frastructure development a key influence



...ource : CBRE Research (October 2005)

...te: includes transport projects that will influence development of ...dustrial areas

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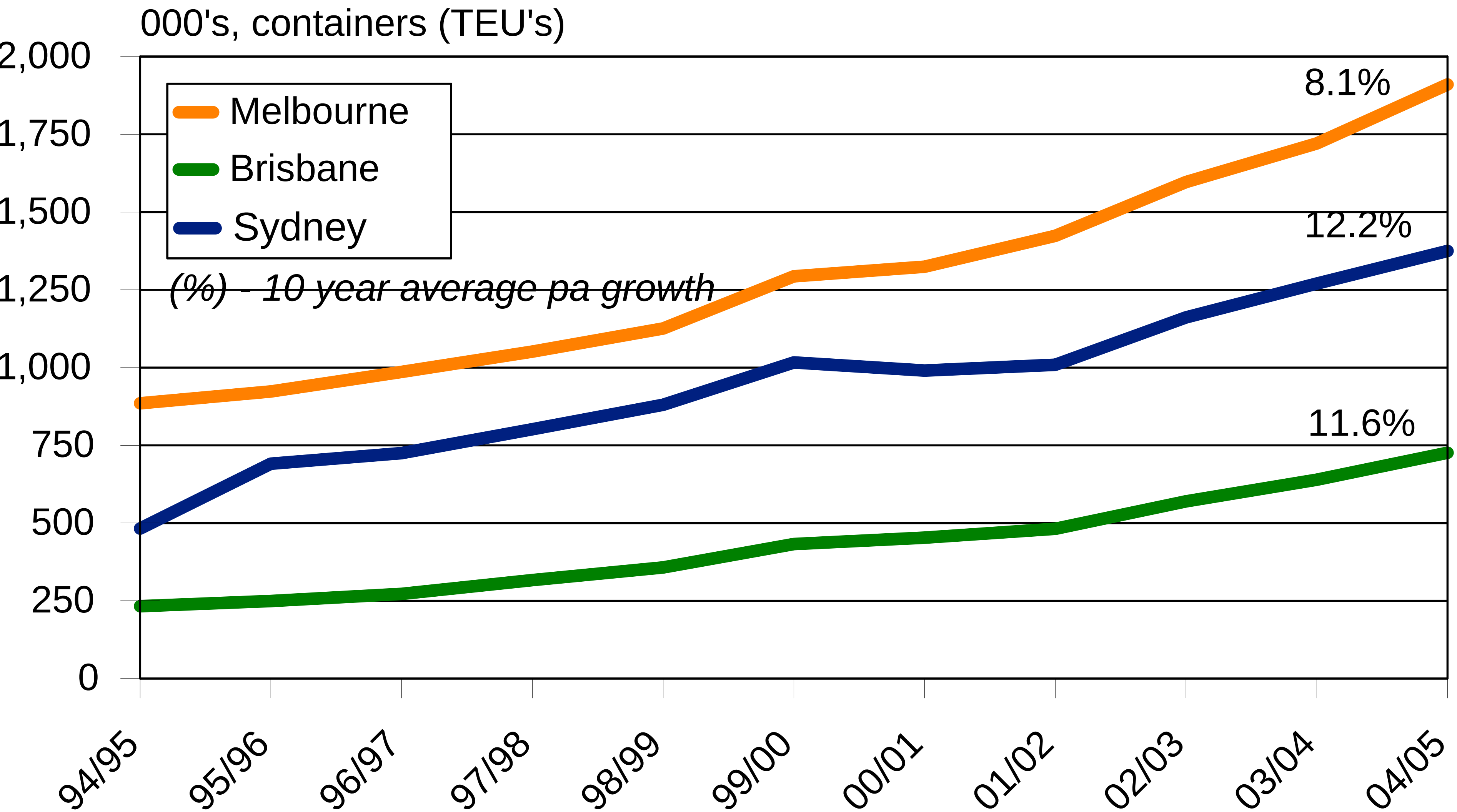
rowth in port trade; eastern seaboard



Source: Port of Melbourne Corporation, Port of Brisbane Corporation, Sydney Ports Corporation

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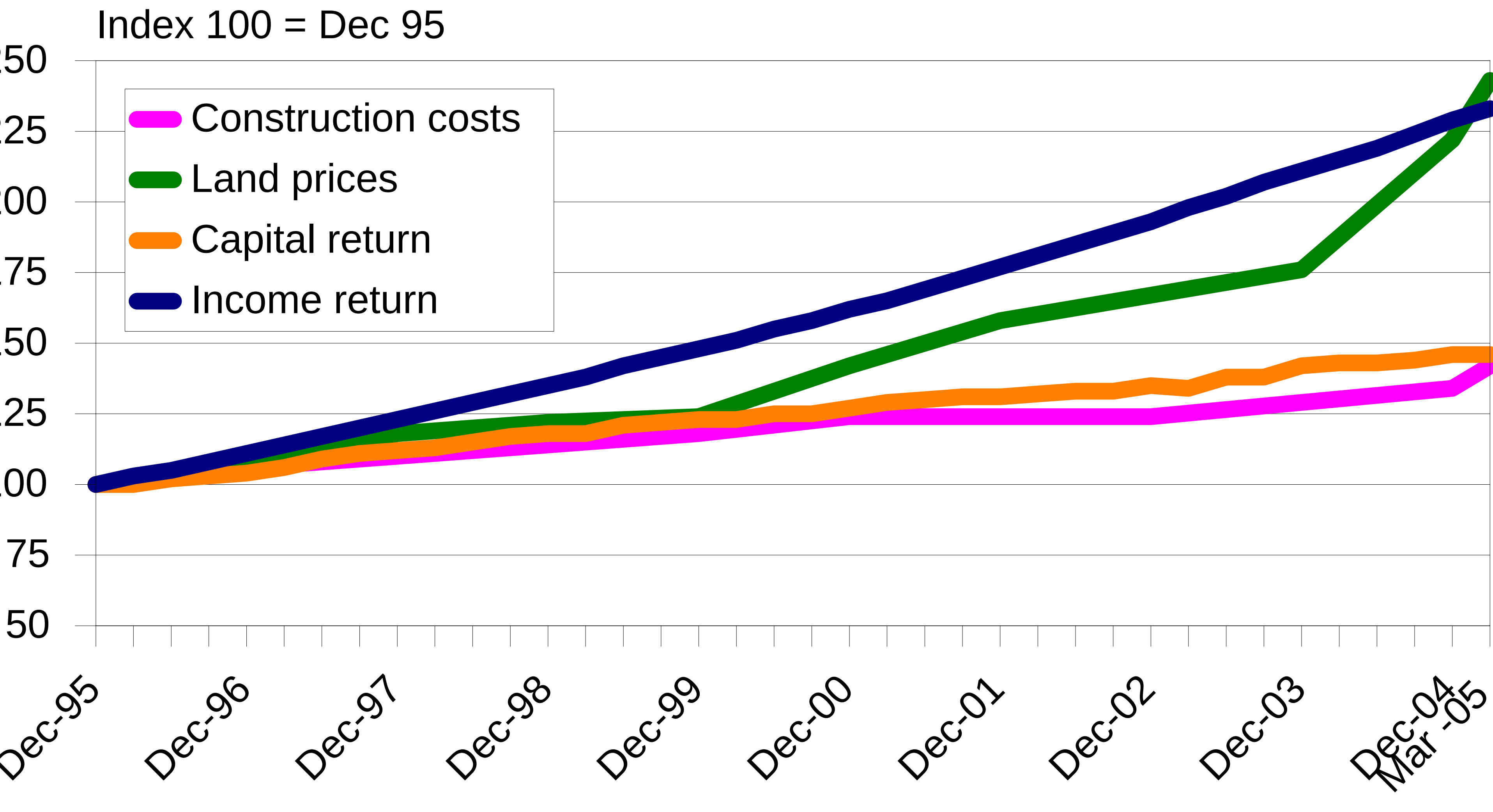
dney industrial returns, land & construction costs



Source : CBRE Research, IPD & Rawlinsons

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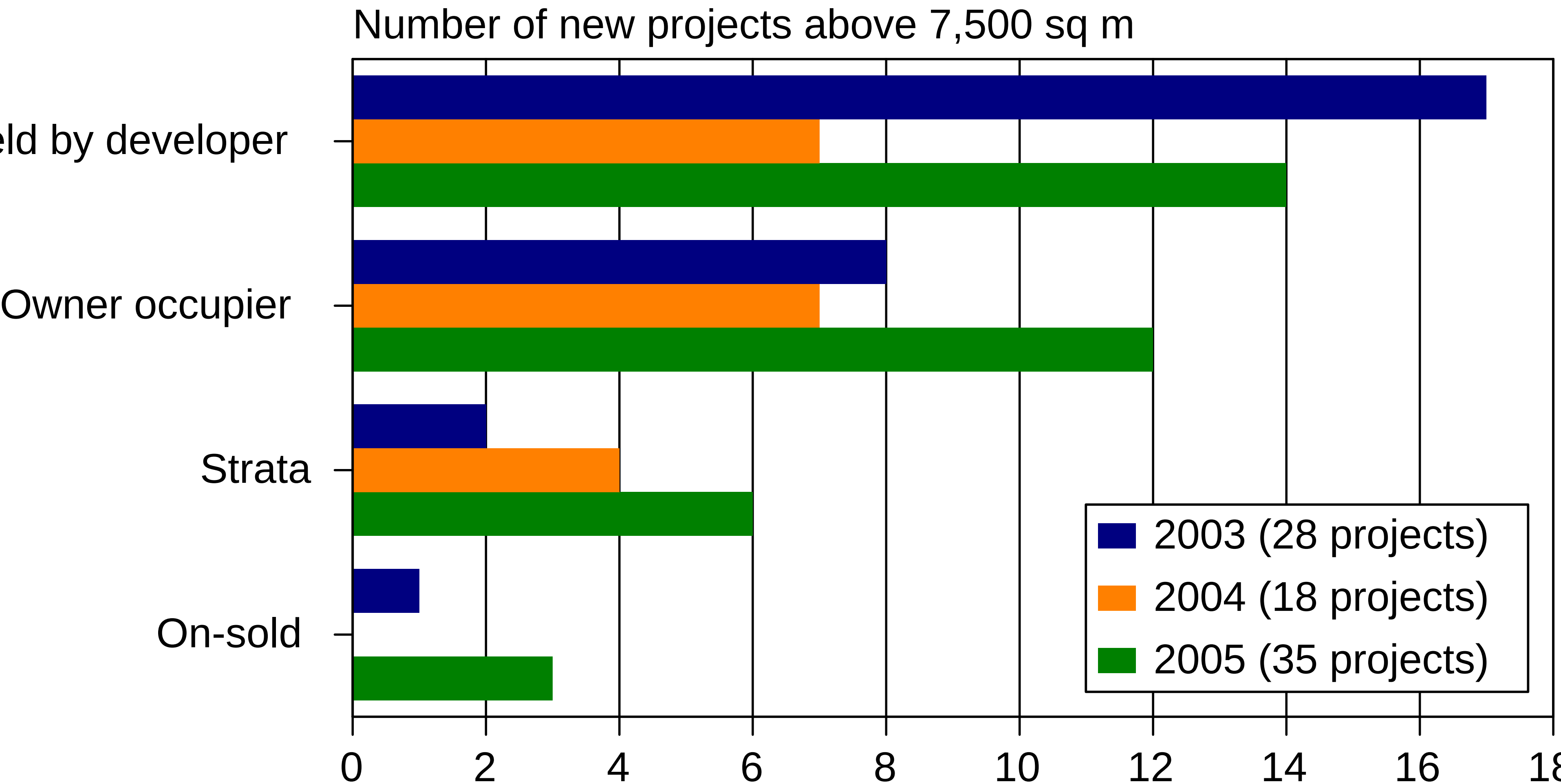
elbourne industrial new stock ownership



Source: CBRE Research (Jan 2006)

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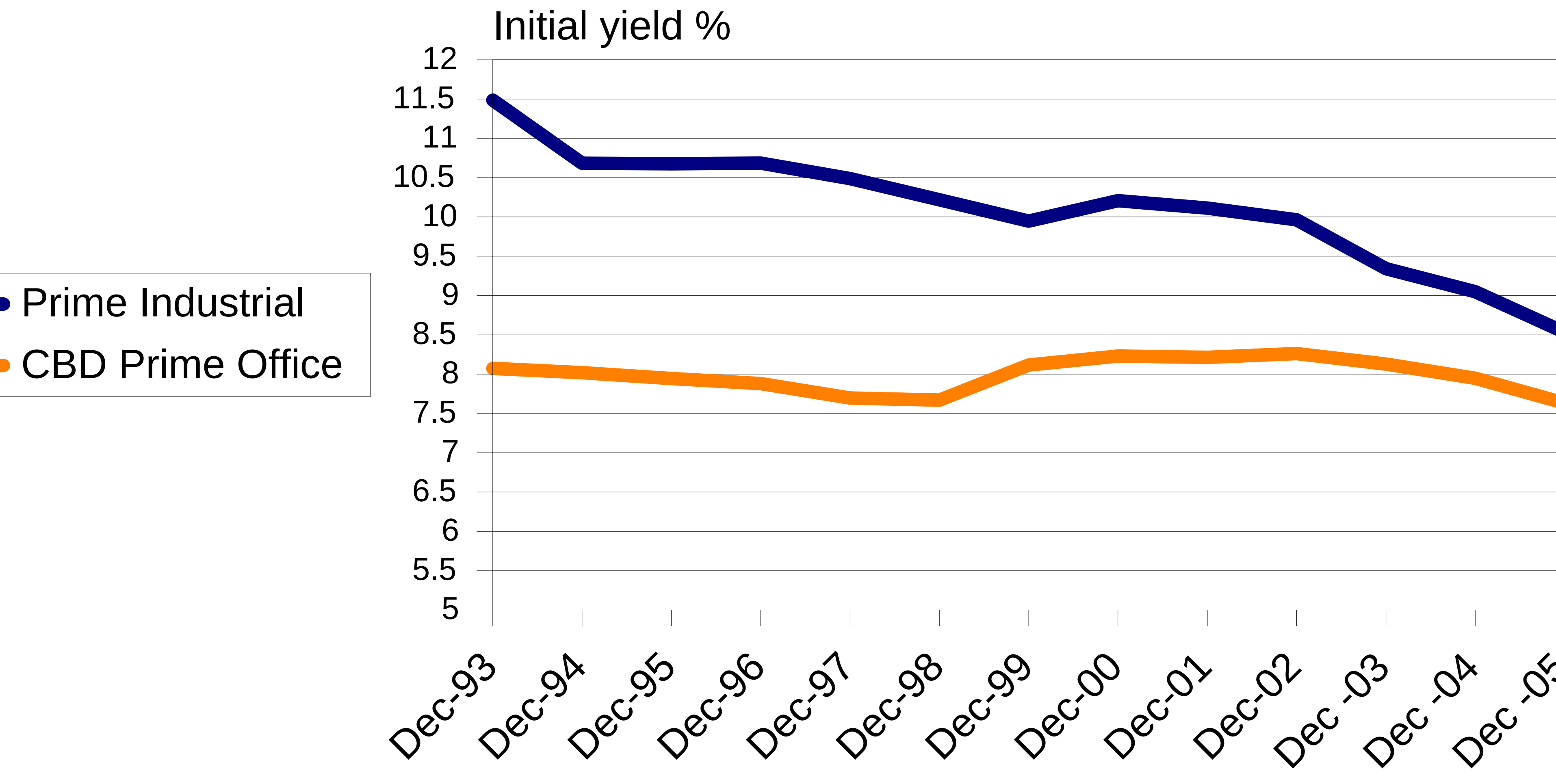
eighted average initial yield trend



Source : CBRE Research

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ey industrial sector trends

Supply chain efficiencies a long term influence

Land prices rising on “shortage” & competition

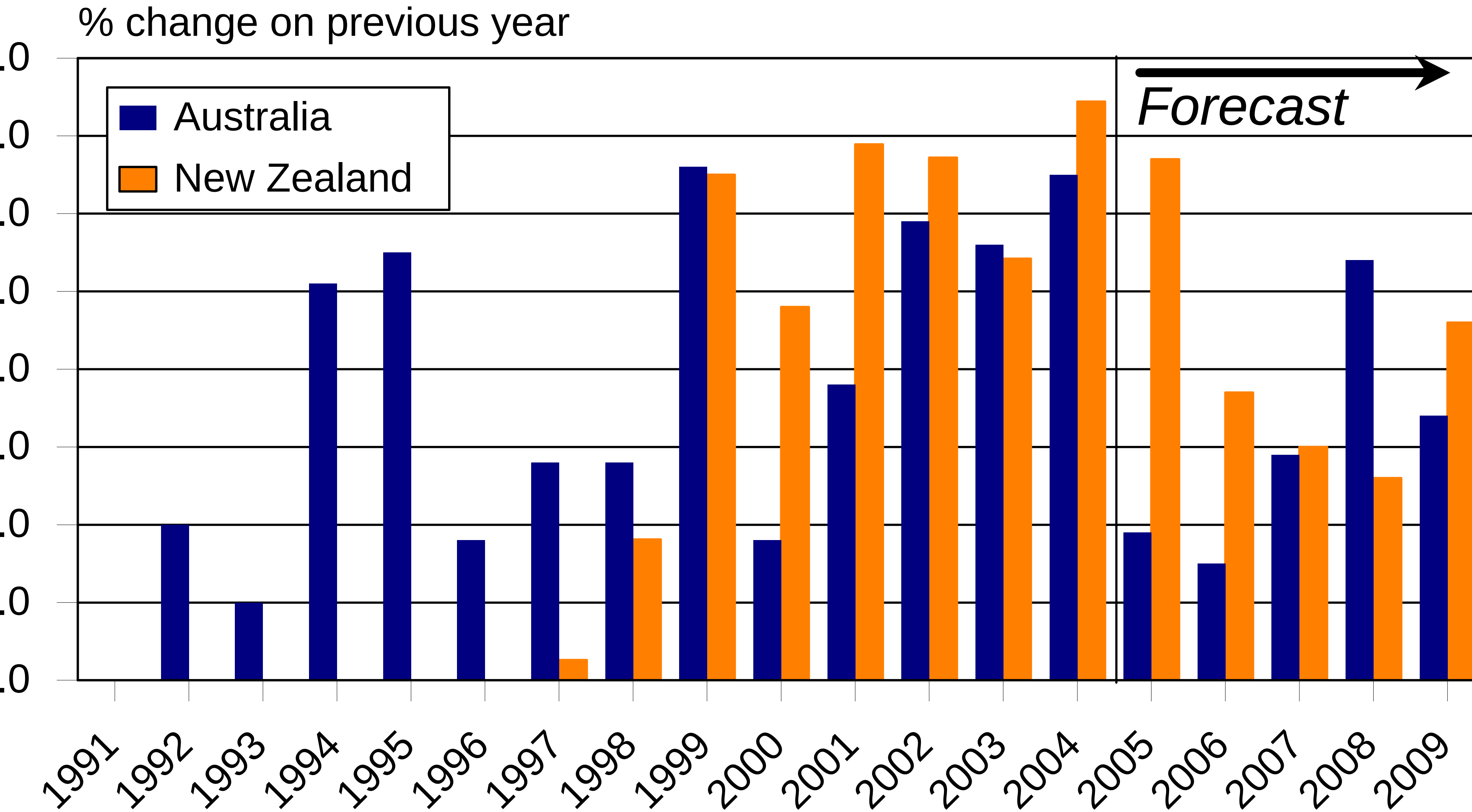
Land & investment market tightly controlled

Manufacturing offshoring may release more sites

Speculative development a possibility

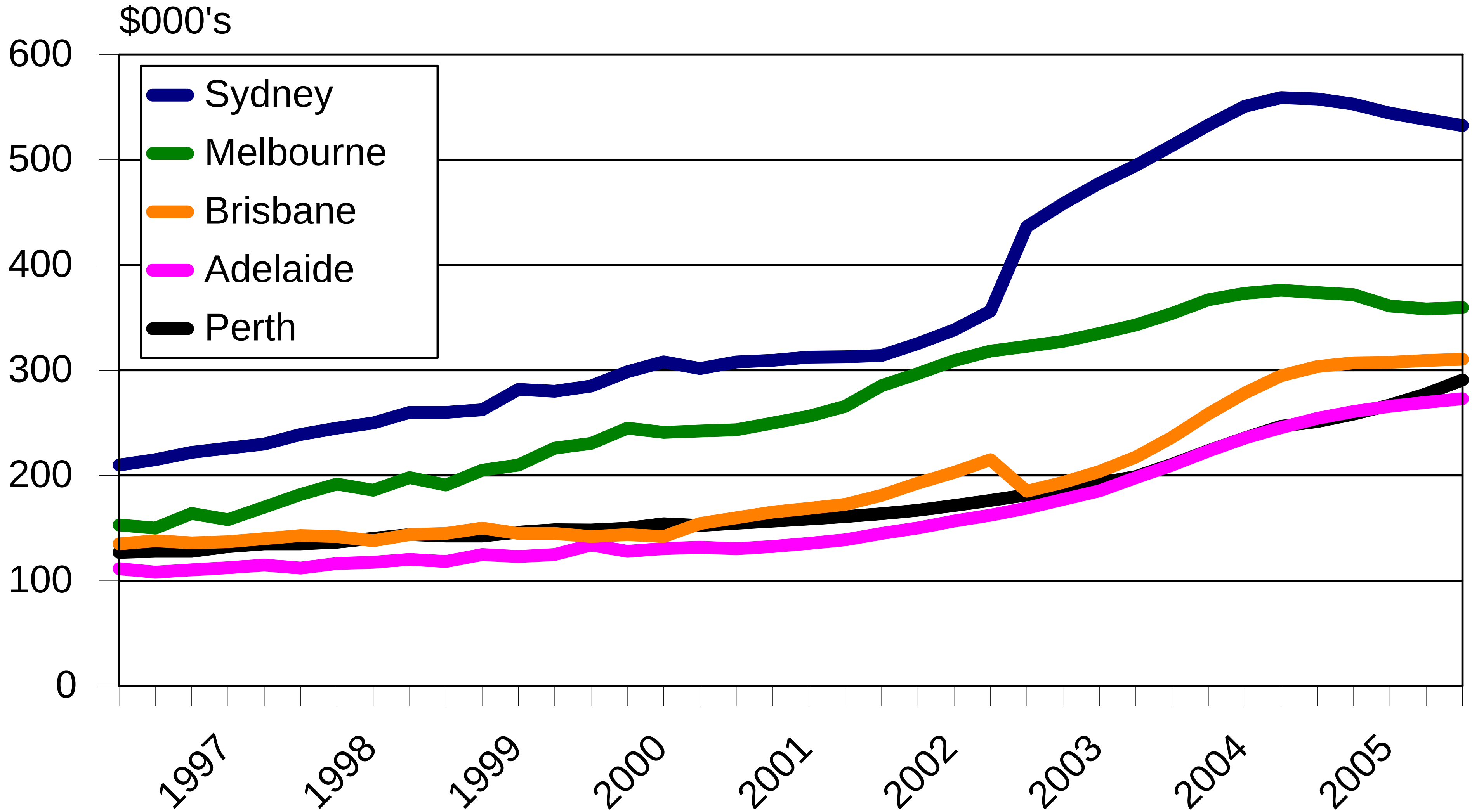
Retail

...etail turnover on the slide



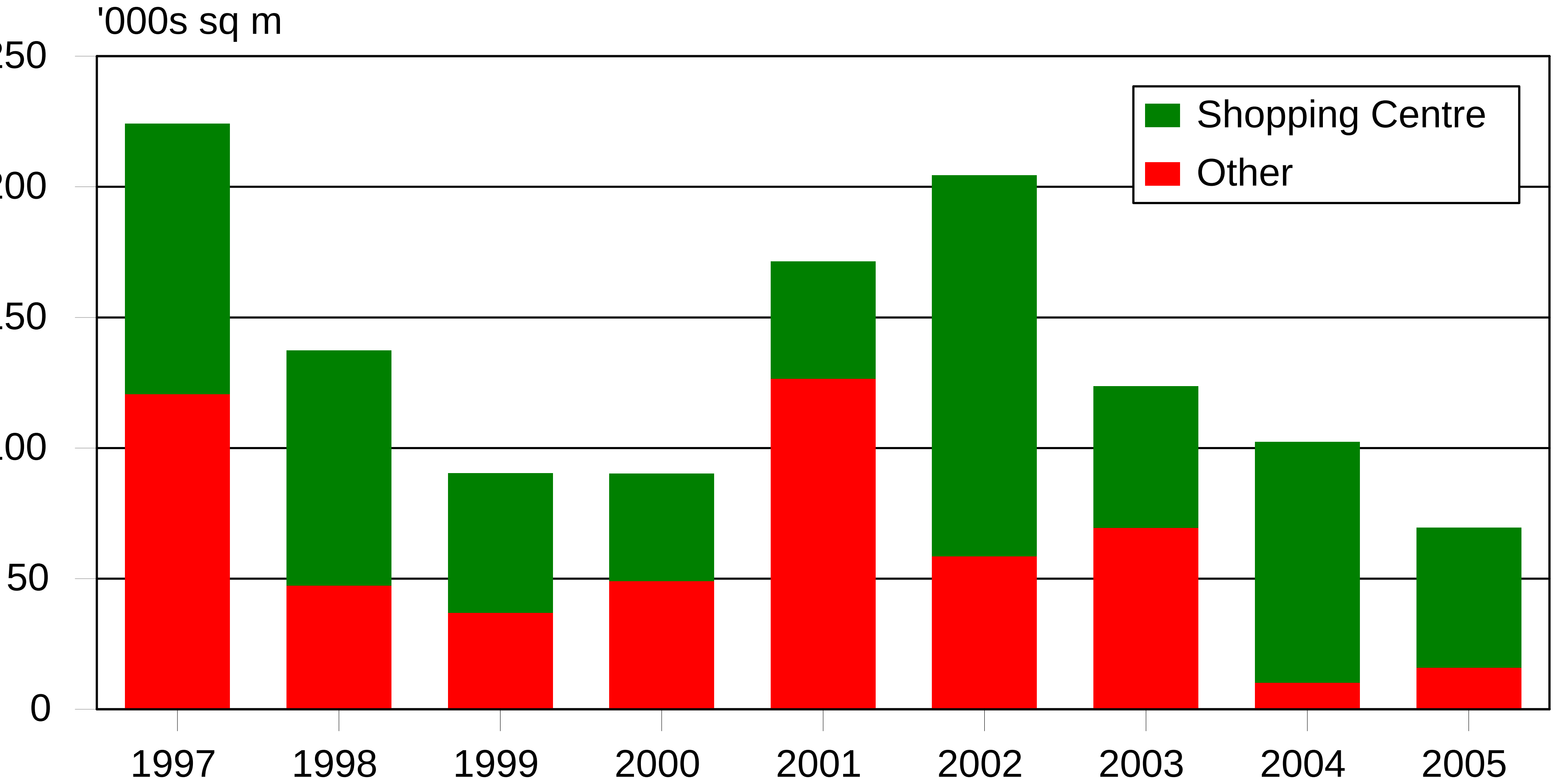
Source: Access Economics &
Statistics NZ (Nov '05)

[Au]stralian median house prices



Source: REIA MarketFacts
(As at September 2005)

elbourne retail new supply 1997 – 2005



Source: CBRE Research (Jan 06)

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Retail superstore

Homemaker Centre

Big Box

Brand Direct

Factory Outlet

Bulky Goods

Category Killer

Large Specialty

Mini-major


3 STOREY
MIXED USE EDGE
TOWN CENTRE PLAZA
PUBLIC SPACES
TOWN CENTRE PLAZA
WATER TREATMENT FEATURE POND
LAKE - FROM TREATED
URBAN RUNOFF

llage style retail

ars Grand; freestanding department store

rtist's impression

Location:	West Jordan, Utah
Open:	11 October, 2003
Size:	19,500 sq m
Configuration:	Over one level
Description:	One-stop home & family centre
Merchandise:	Milk, refrigerators, lawnmowers, fertilizer, clothes, laundry detergent, car servicing

ena District, Columbus, Ohio; mixed use

Area:	38.4 hectares
Open:	In stages, from
2003	
Arena:	63,500 sq m
Retail:	18,500 sq m
Office:	121,000 sq m
Residential:	700 units
Parking:	15,000 spaces

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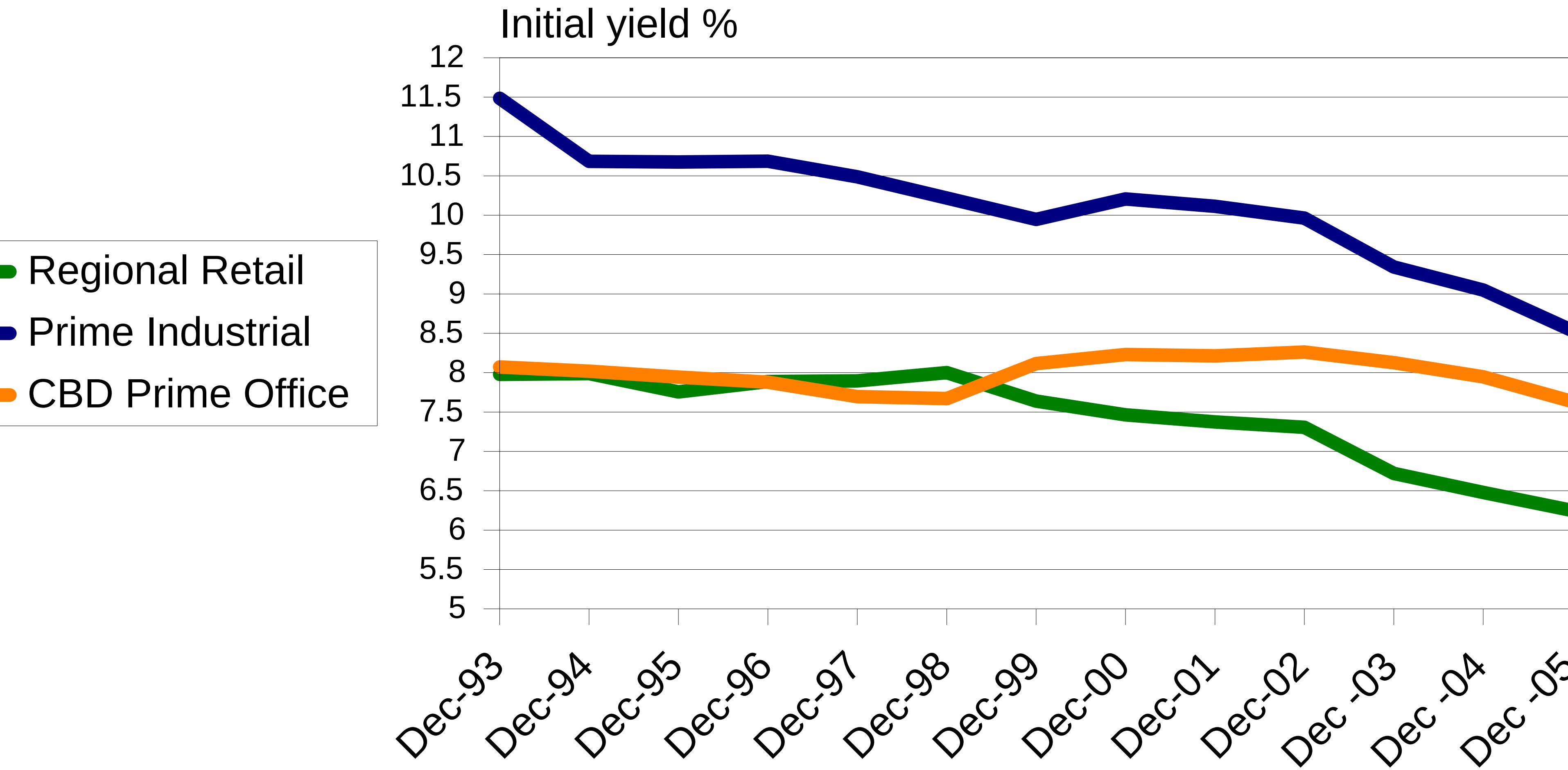
eighted average initial yield trend



Source : CBRE Research

Includes weighted average of Brisbane, Sydney, Canberra, Melbourne, Adelaide, Perth and Auckland

ey retail sector trends

The party’s over, for now…

Consumer spending to remain soft until 2007

Bulky Goods; retailers & rents under pressure

New urban forms changing nature of retail

Investors still keen to weigh into the sector

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