

Trends in property markets



PRRES Conference Industry Day
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Kevin Stanley
Regional Director
CBRE Research, Australia & New Zealand

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

Top 5 Trends



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

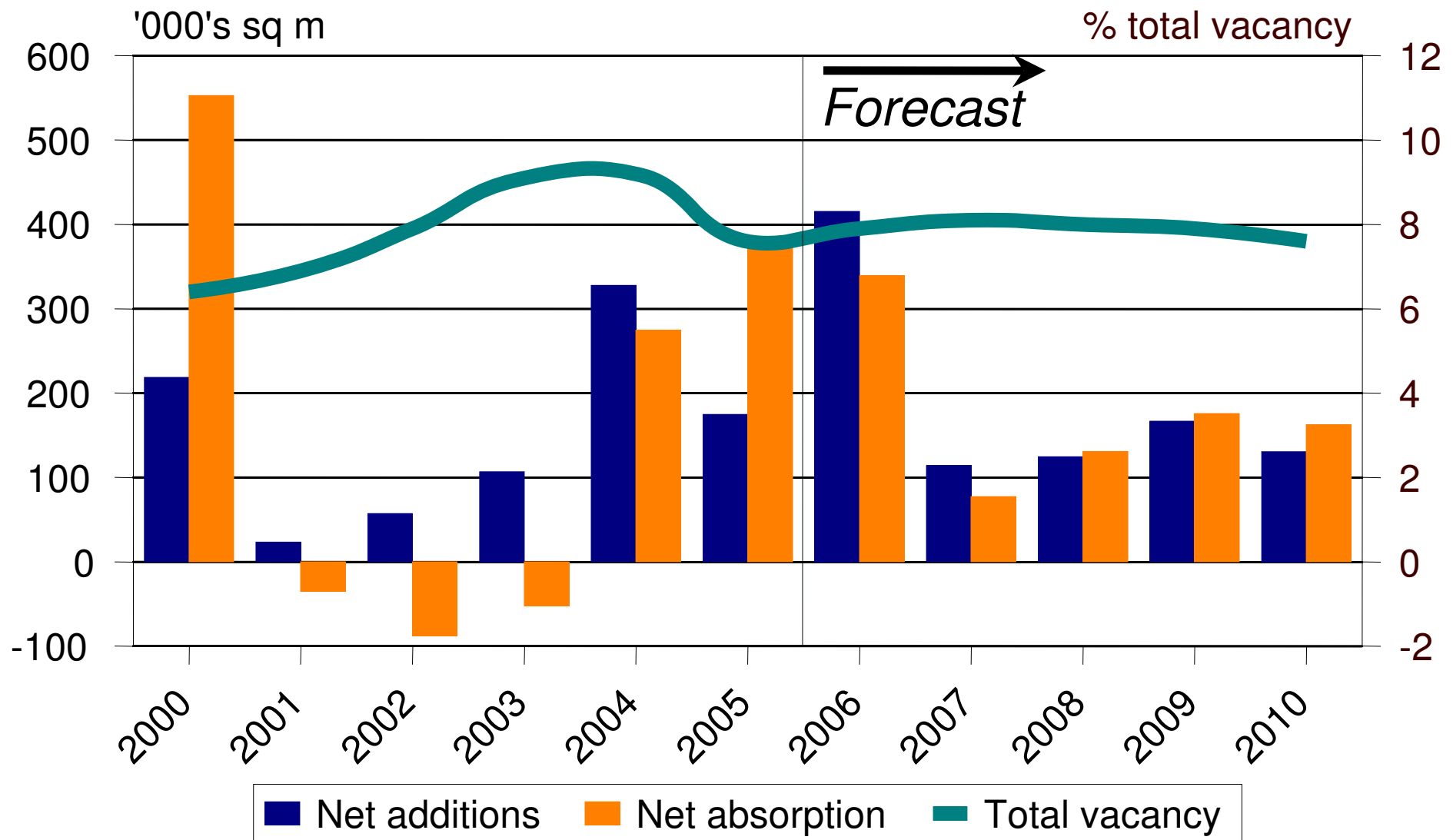
Behaviour distortions

Sectors, cycles & structural shifts

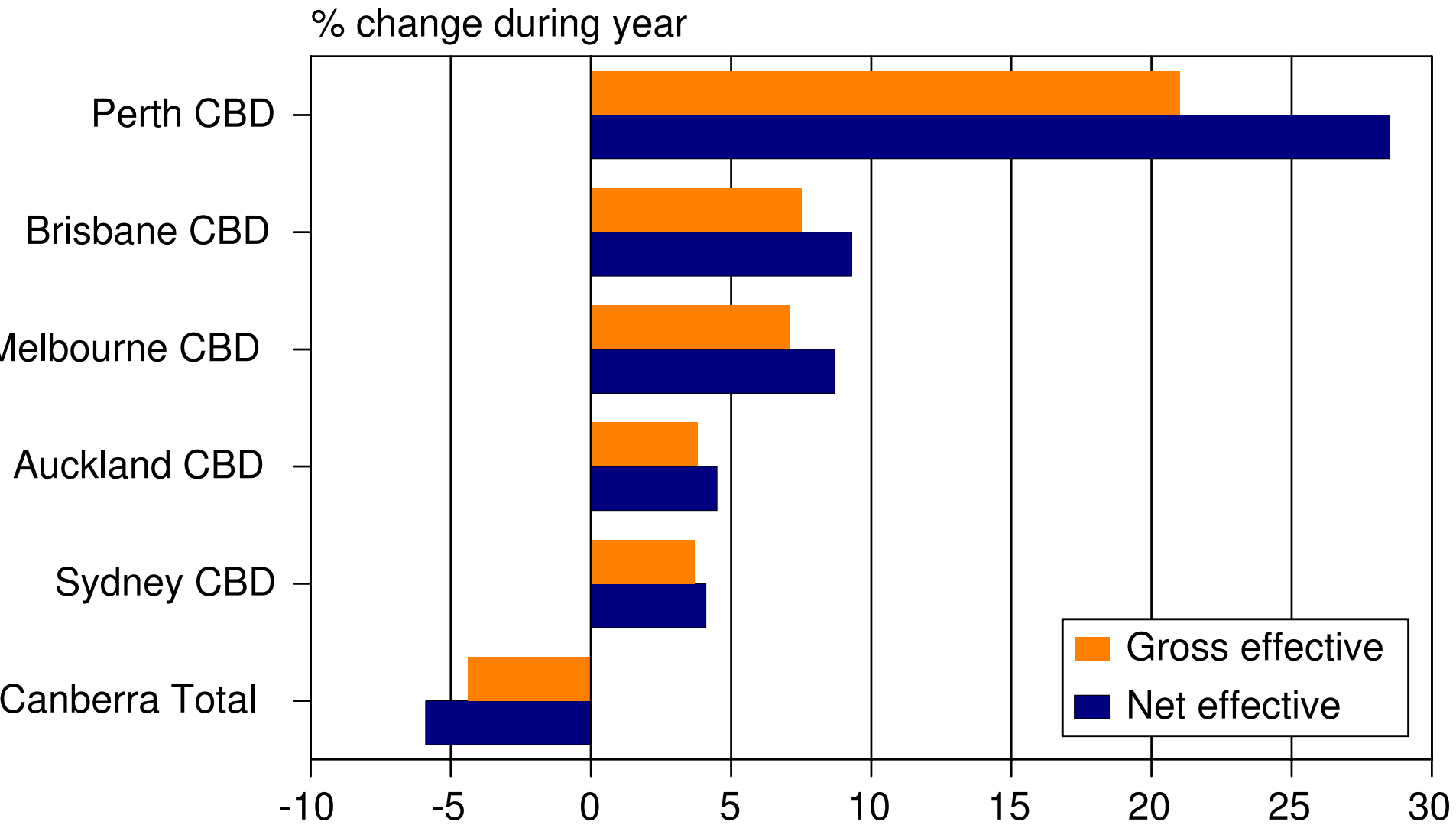


Office

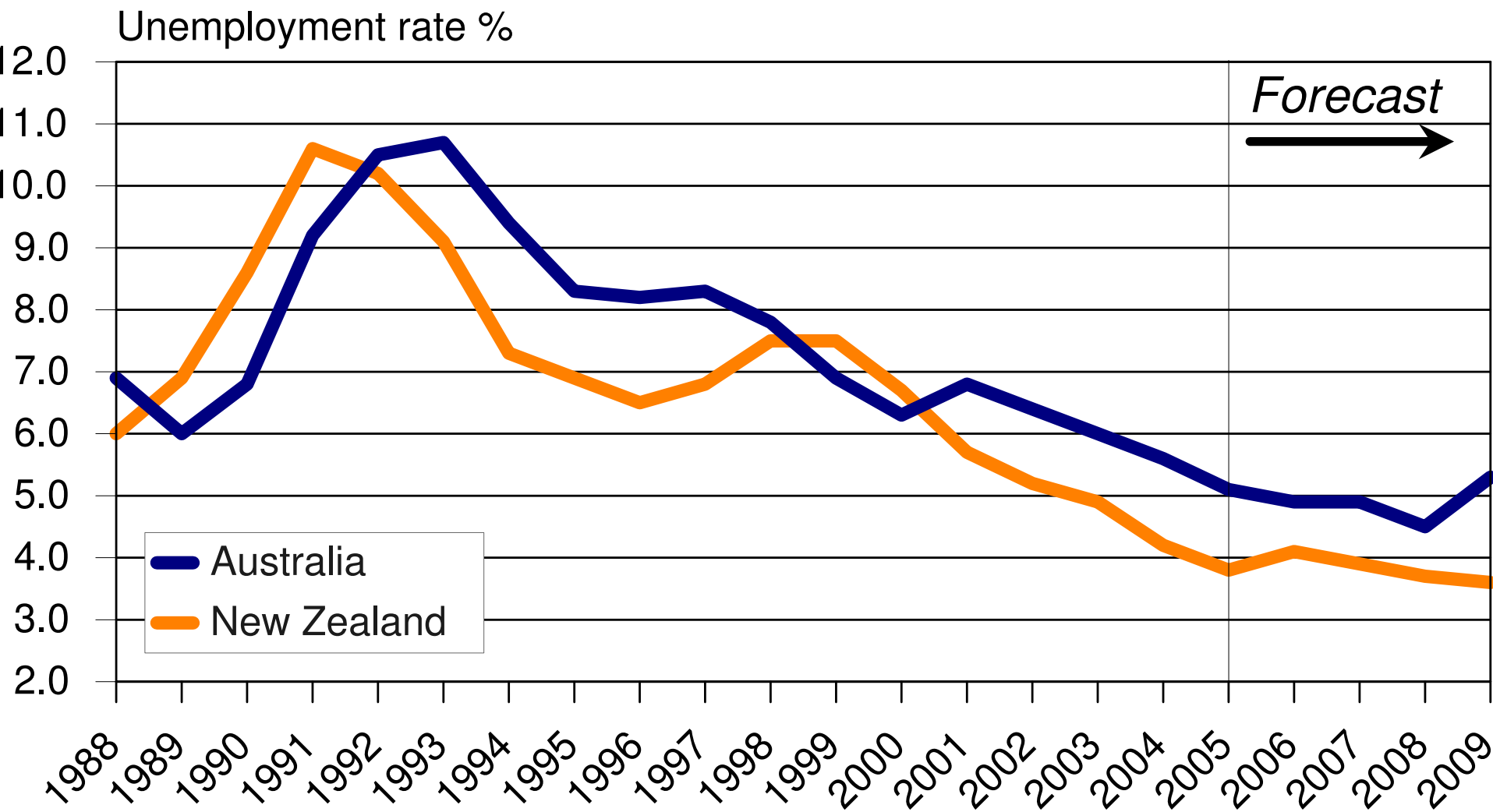




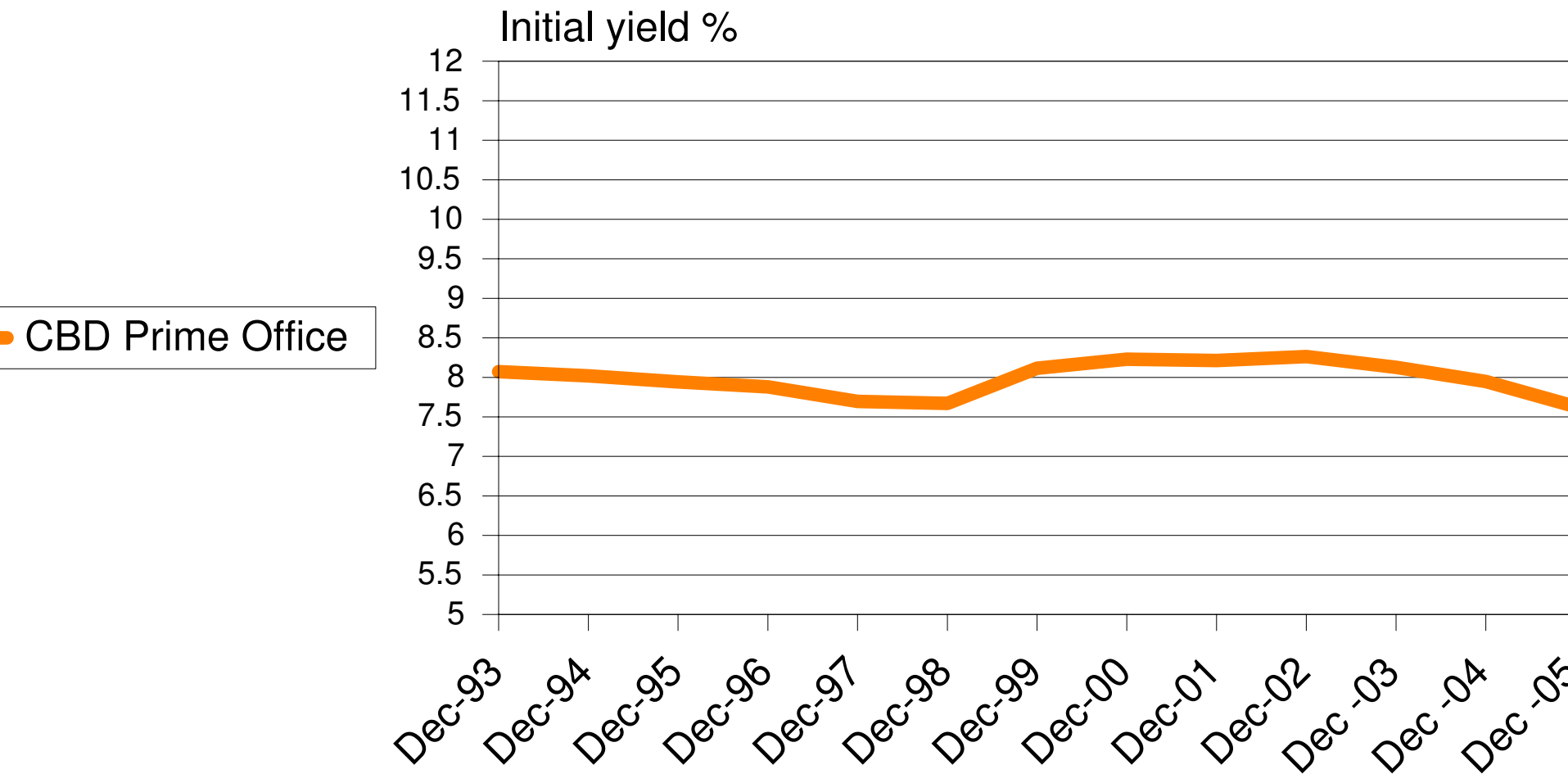
Source : Property Council of Australia & CBRE Research (January 2006)



Source : CBRE Research (January 2006)

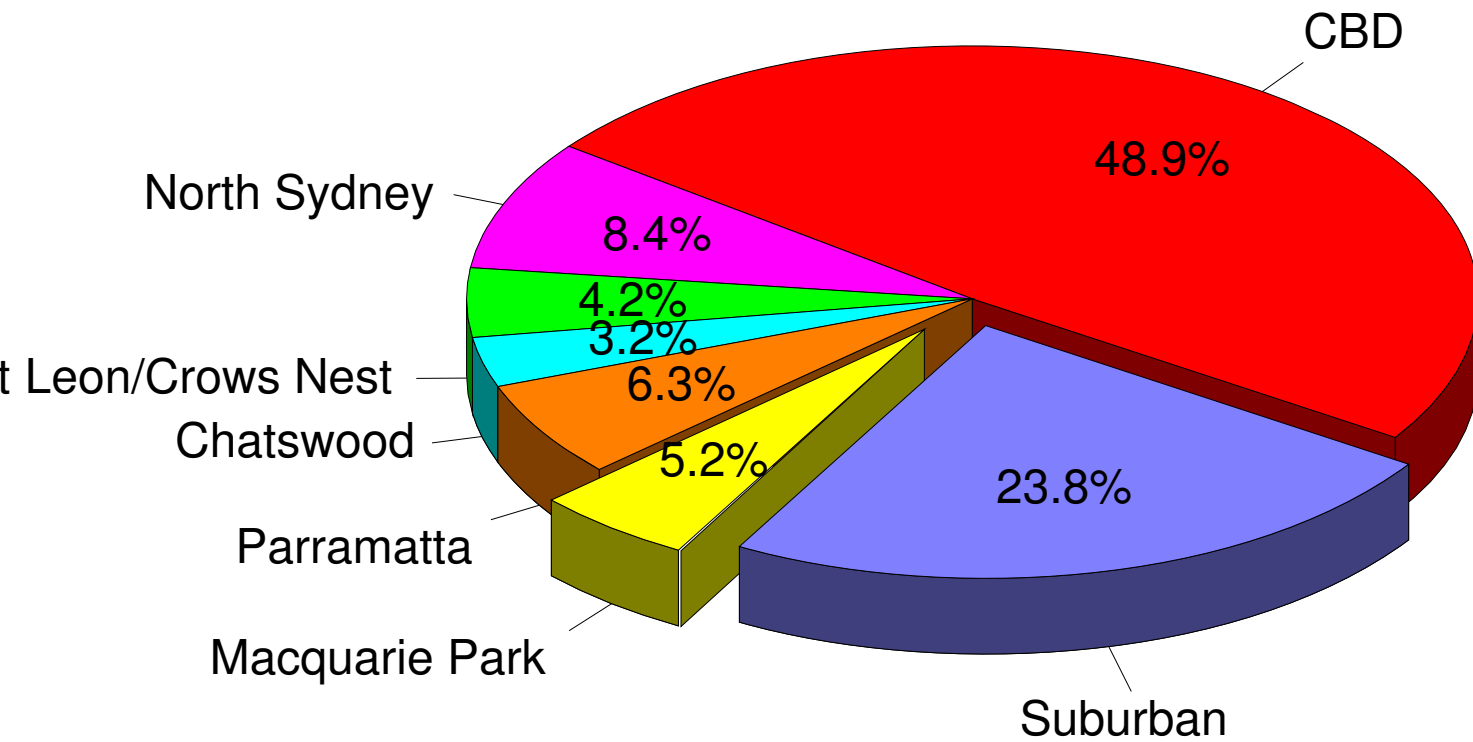


Source: Australian Bureau of Statistics,
Access Economics & Statistics NZ (Nov 2005)



Source : CBRE Research

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



Total Office Stock : 9,423,700 square metres

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

Improving fundamentals attracting investment

Significant difference in outlook across markets

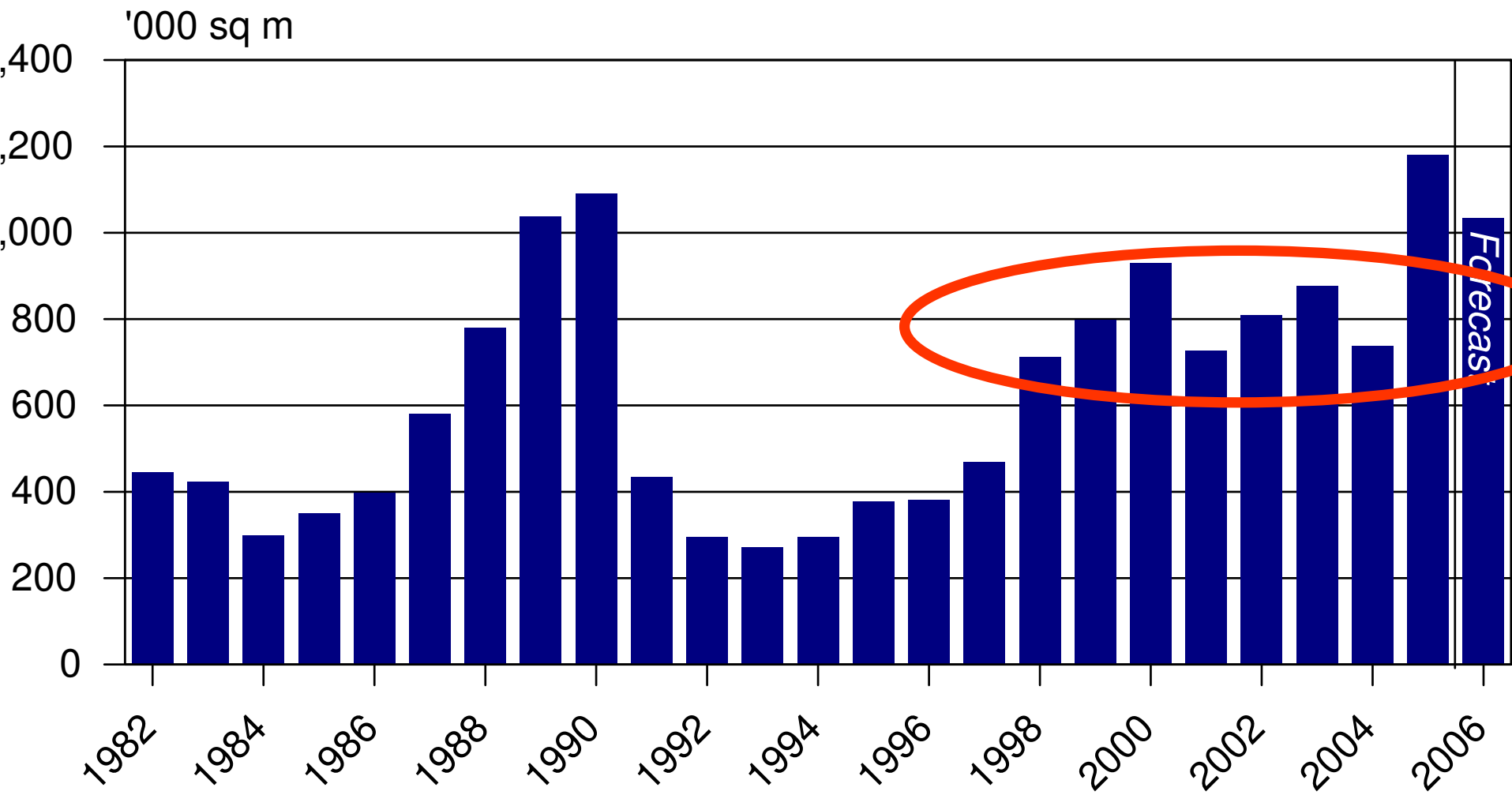
Employment peaking; ageing population

Gap in new supply 2007-2008

Non-CBD office increasing share of space

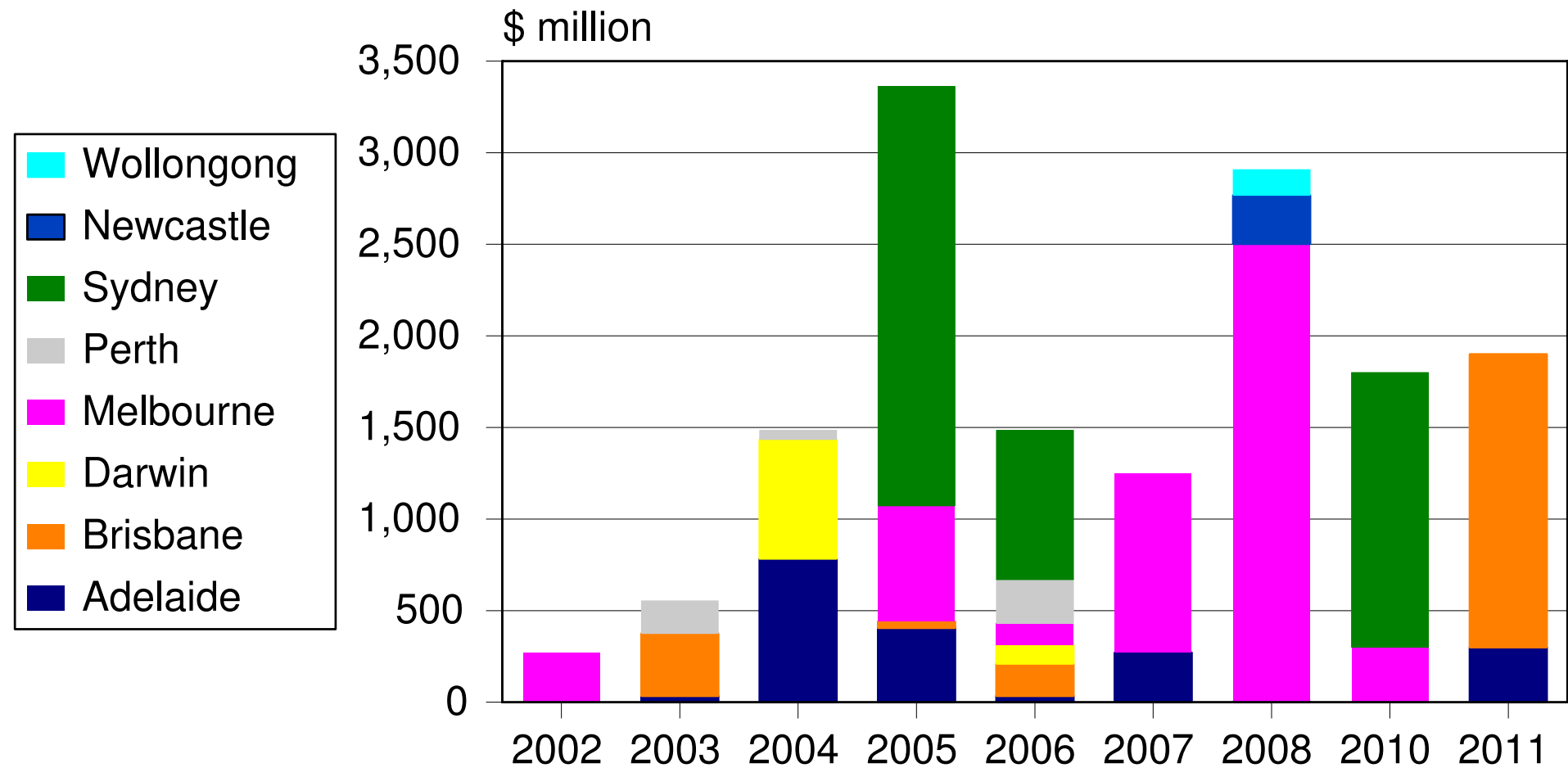
Industrial





Source: ABS & CBRE Research (Jan 2006)

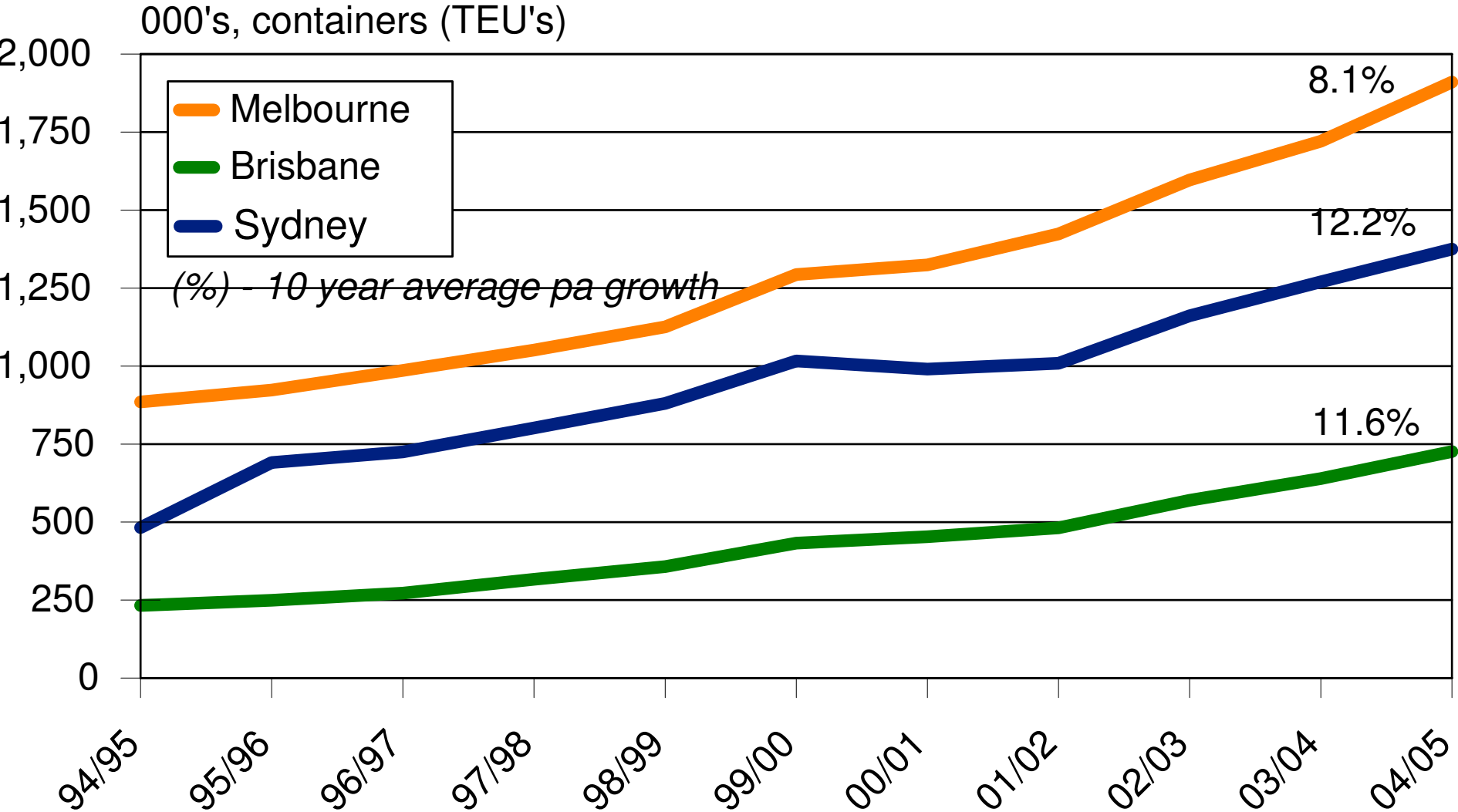
Infrastructure development a key influence



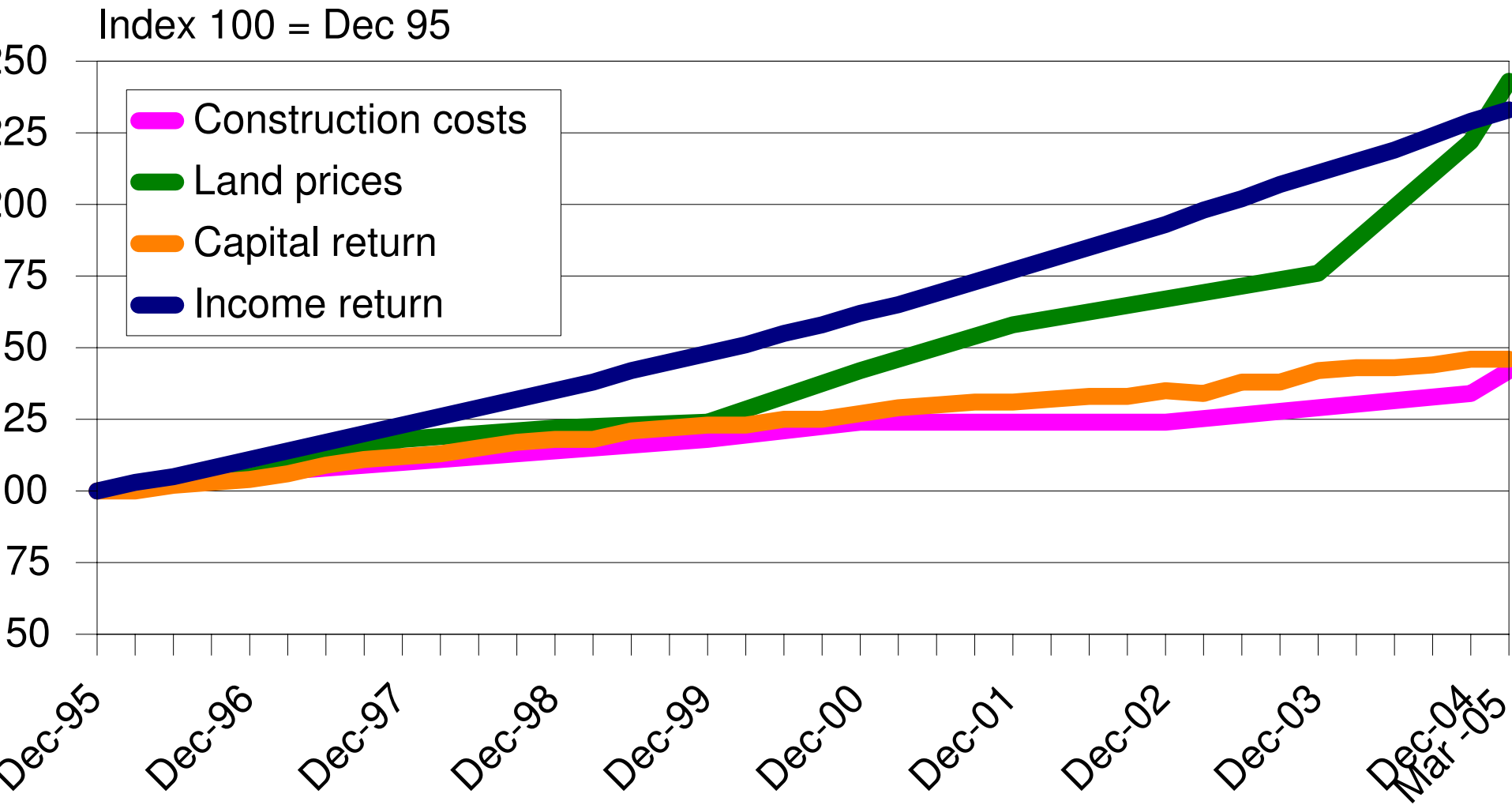
Source : CBRE Research (October 2005)

Note: includes transport projects that will influence development of industrial areas

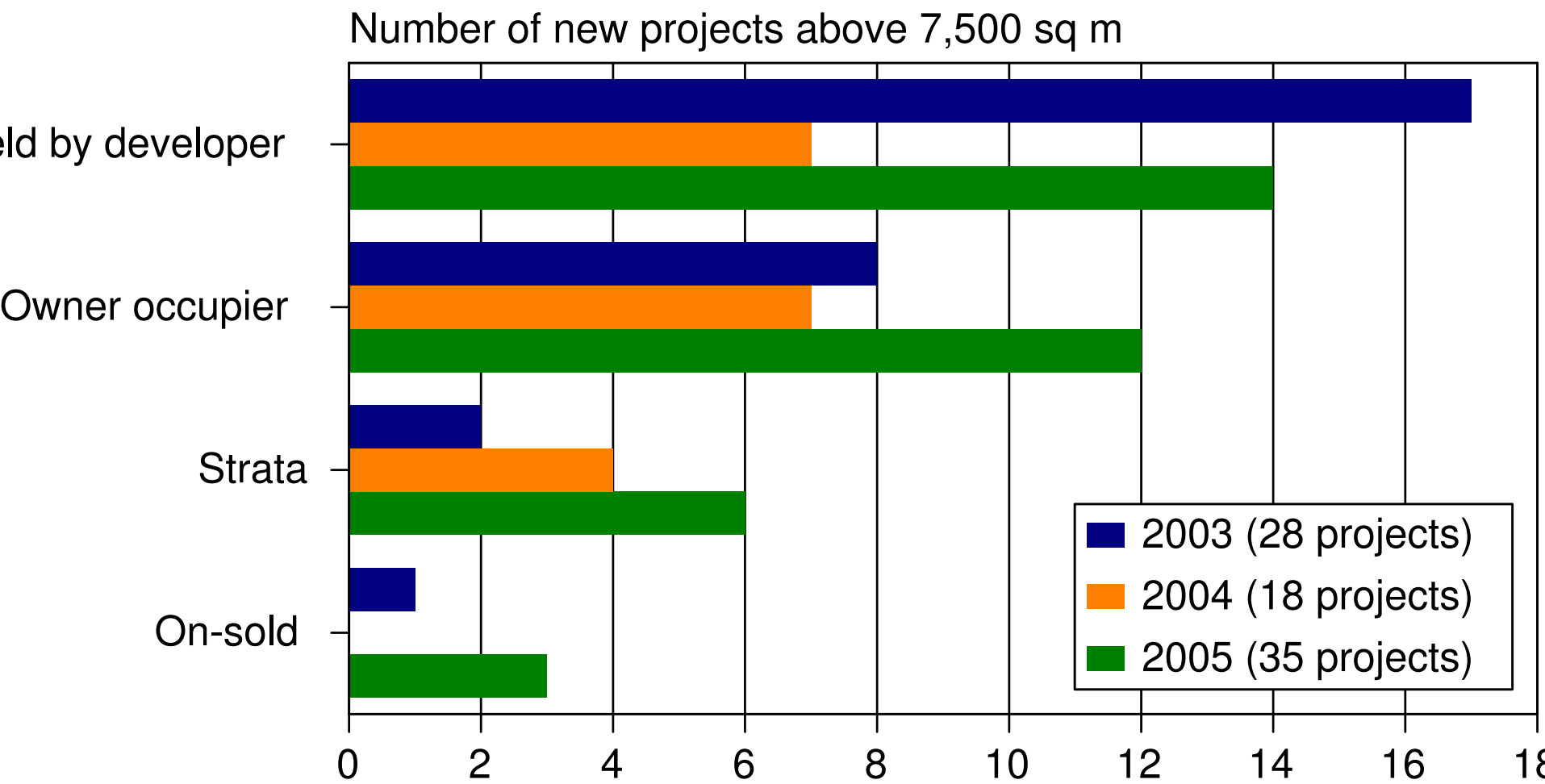
Growth in port trade, eastern seaboard



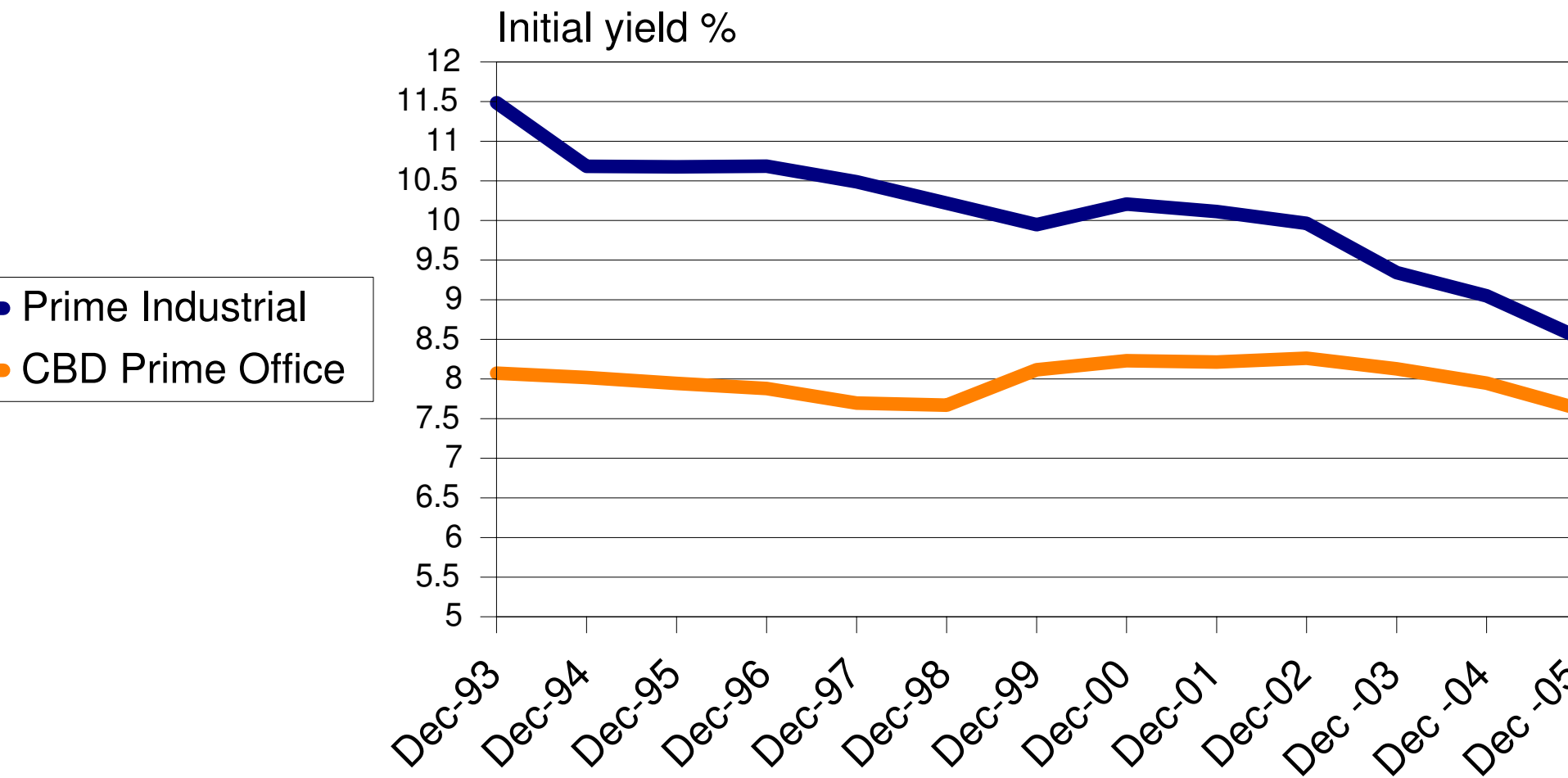
Source: Port of Melbourne Corporation, Port of Brisbane Corporation, Sydney Ports Corporation



Source : CBRE Research, IPD & Rawlinsons



Source: CBRE Research (Jan 2006)



Source : CBRE Research
Includes weighted average of Brisbane, Sydney, Canberra, Melbourne, Adelaide, Perth and Auckland

Supply chain efficiencies a long term influence

Land prices rising on “shortage” & competition

Land & investment market tightly controlled

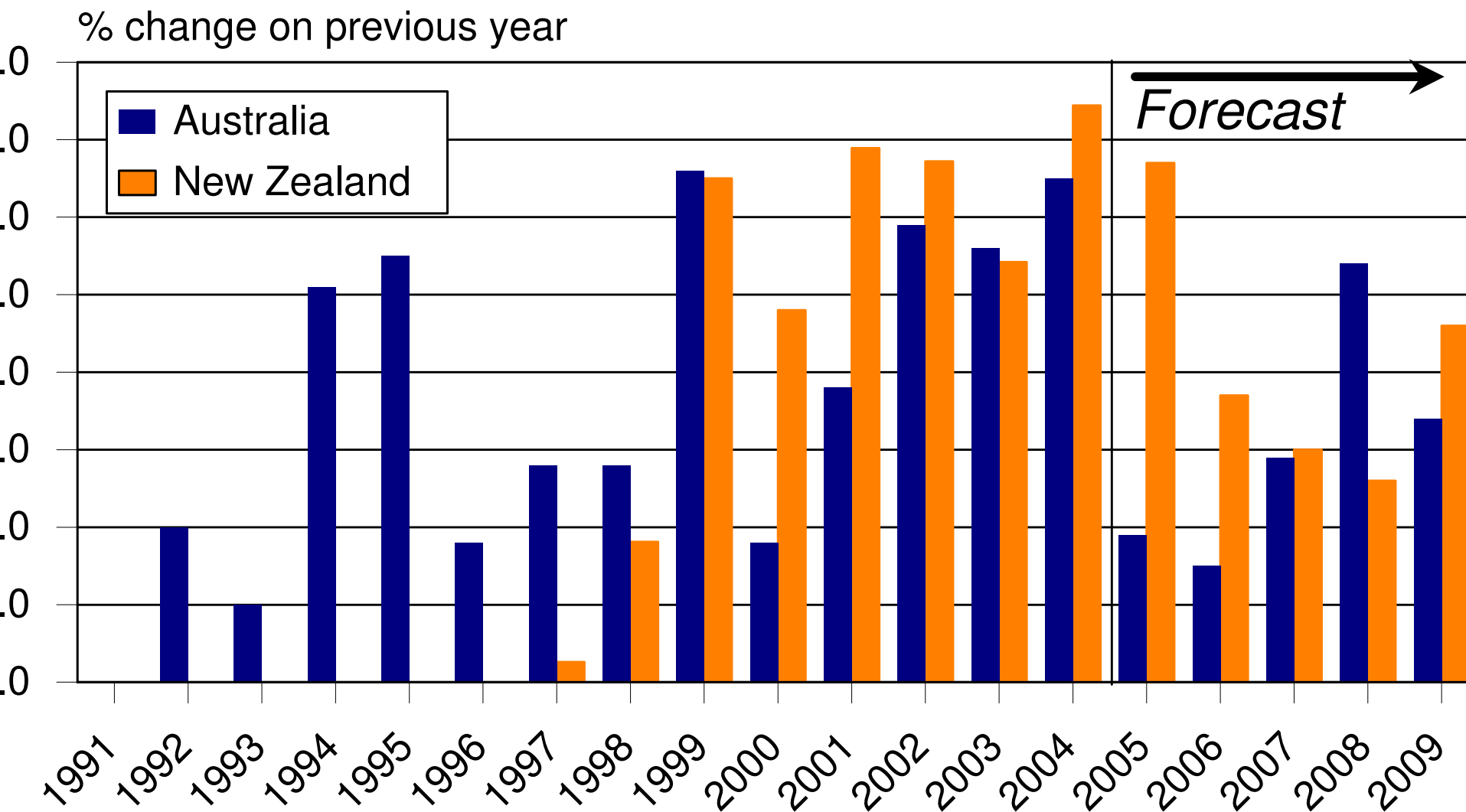
Manufacturing offshoring may release more sites

Speculative development a possibility

Retail

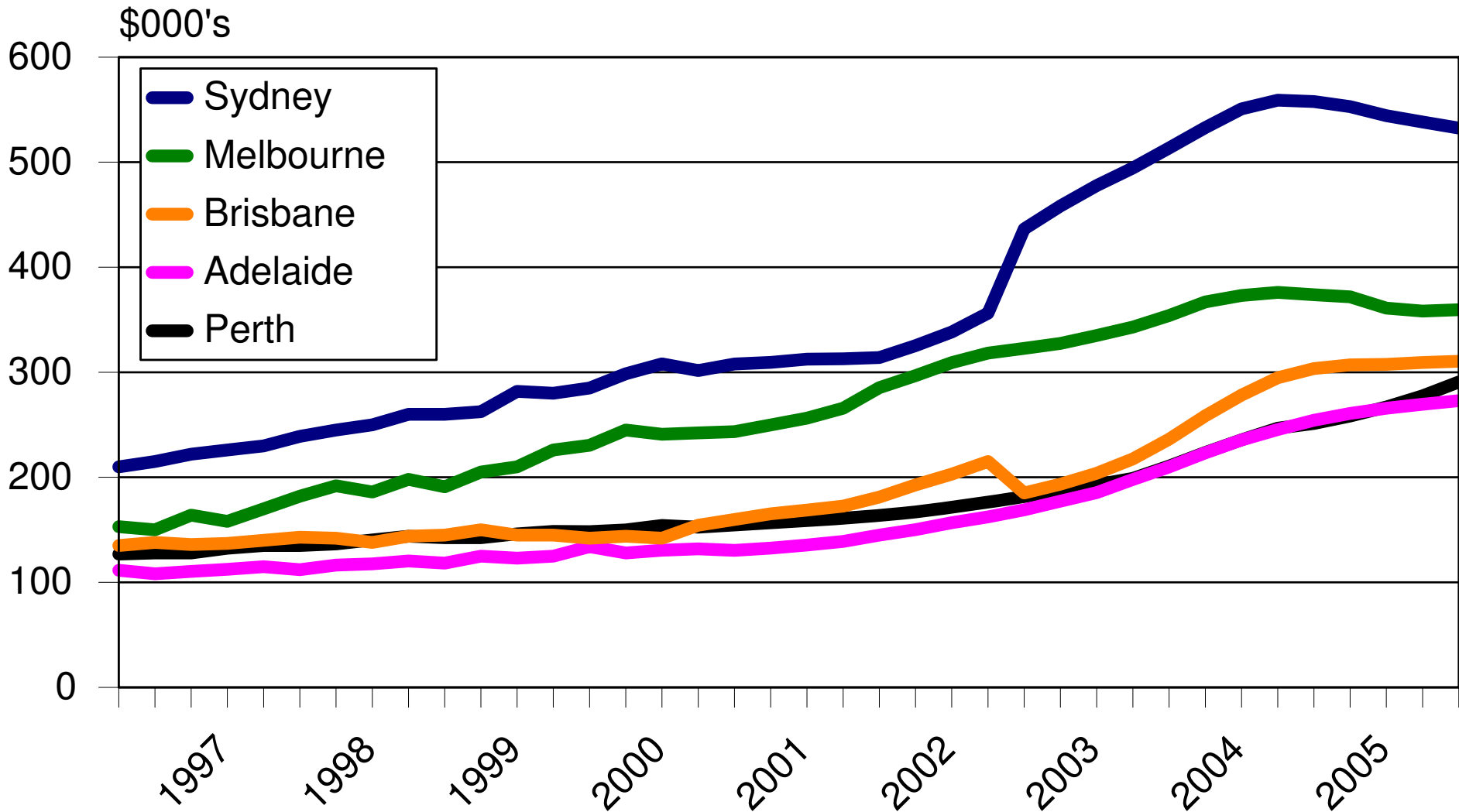


Retail turnover on the slide

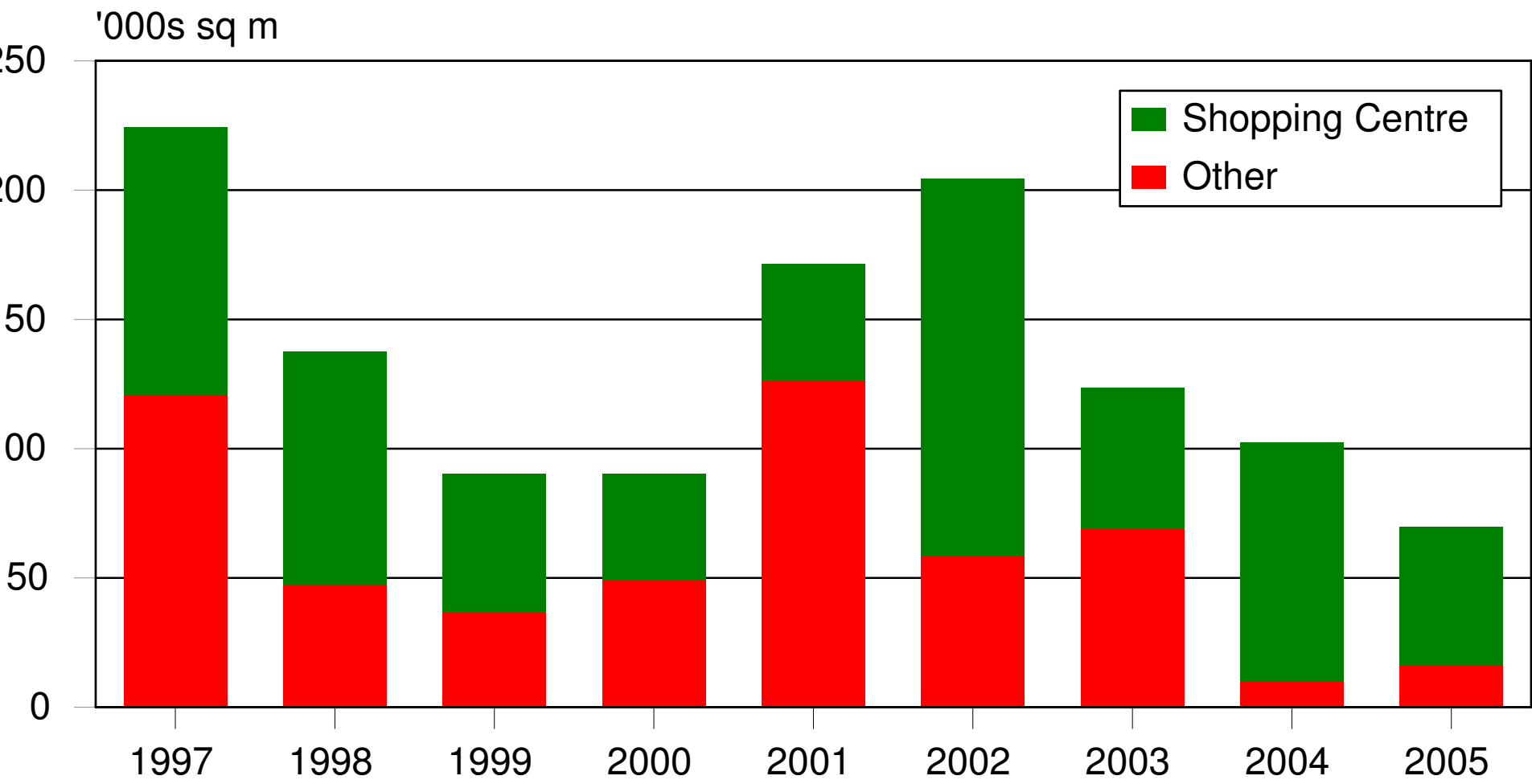


Source: Access Economics & Statistics NZ (Nov '05)

Australian median house prices



Source: REIA MarketFacts
(As at September 2005)



Source: CBRE Research (Jan 06)

Retail superstore

Homemaker Centre

Brand Direct

Big Box

Factory Outlet

Bulky Goods

Category Killer

Large Specialty

Mini-major



A RICHLY MIXED USE EDGE

TOWN CENTRE PLAZA

PUBLIC SPACES

A TOWN CENTRE PLAZA
A RICHLY MIXED USE EDGE
A PERMANENT WATER TREATMENT FEATURE POND

LAKE - FROM TREATED URBAN RUNOFF

Image style retail



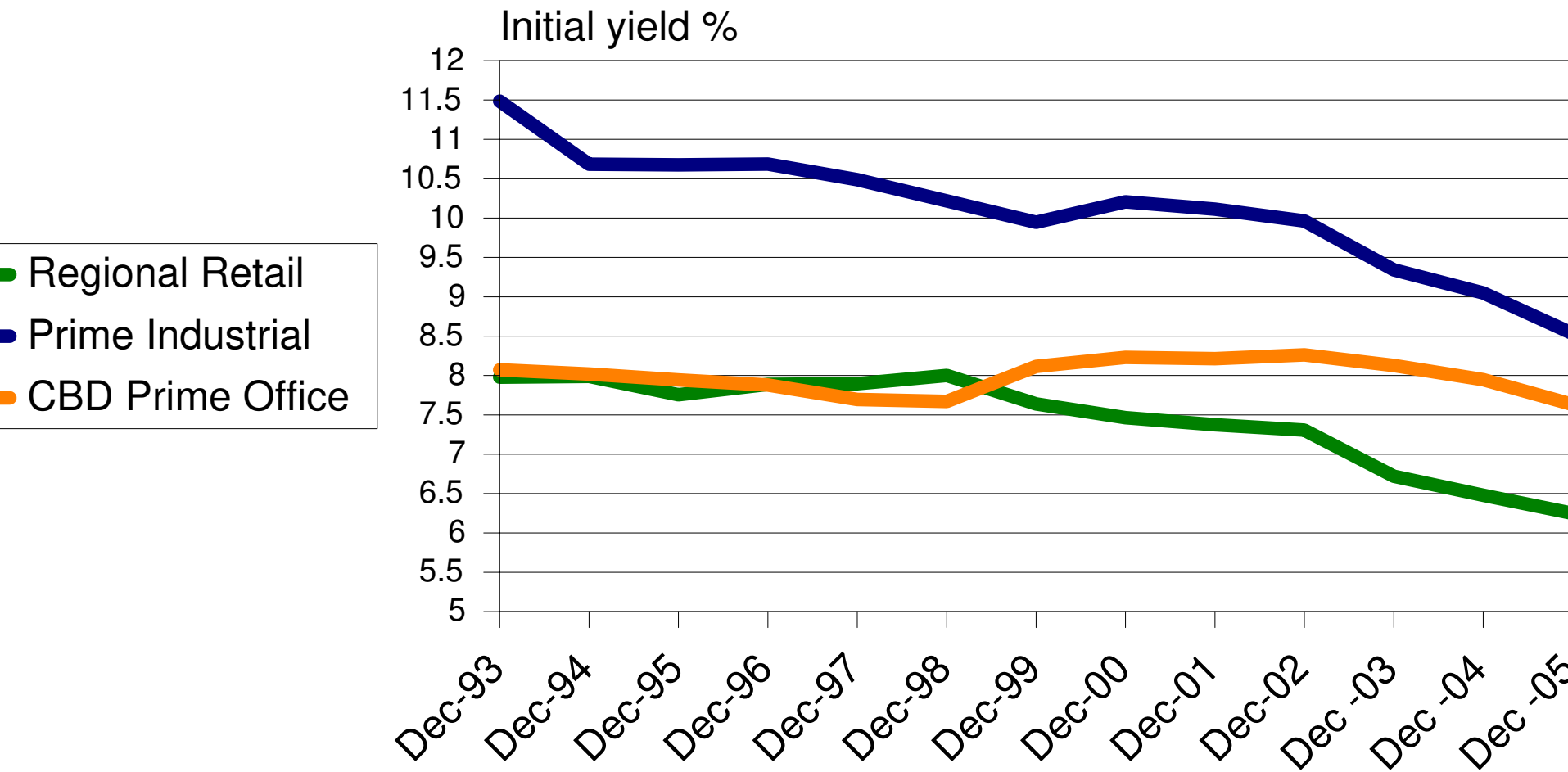
Artist's impression



- 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



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



Source : CBRE Research
Includes weighted average of Brisbane, Sydney, Canberra, Melbourne, Adelaide, Perth and Auckland

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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