

Australia | Q1 2018

Market Overview

Adelaide



Occupier demand maintained momentum in 1Q18. Gross take-up was 52,600 sqm in 1Q18. This followed quarterly gross take-up of 79,200 sqm in 4Q17. The 1Q18 gross take-up figure was driven by pre-lease activity (64% of the total).



Supply is low with one completion in 1Q18. A 13,633 sqm distribution centre pre-leased to Incitec Pivot opened in Port Adelaide. There is currently 16,500 sqm of supply under construction, across four projects.

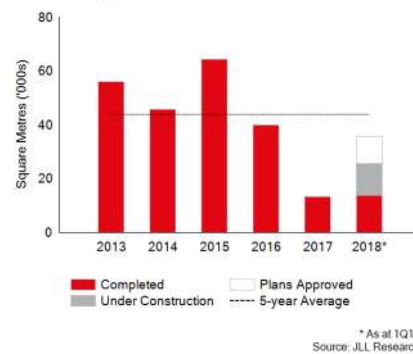


Average prime rents increased in the Inner West/East in 1Q18. Both prime and secondary yields were unchanged across all precincts.

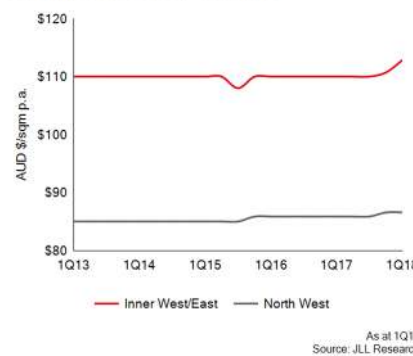


There was one major transaction (≥ AUD 5.0 million) recorded in 1Q18. An asset was purchased at 33-49 London Road, Mile End South as part of the national portfolio acquisition by Qualitas Food Infrastructure Fund from Allied Pinnacle. Individual asset price splits are currently undisclosed.

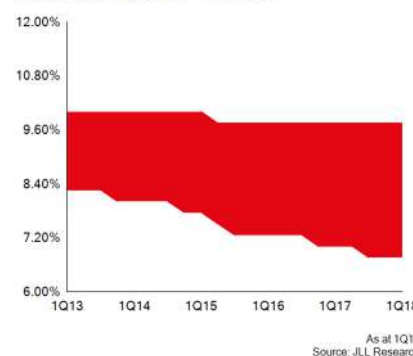
Annual Supply - Adelaide



Average Prime Rent - Adelaide



Yield Range (Prime) - Adelaide



Inner West/East Quarterly Rental Growth:

1.9%

Rental growth:

Average prime net face rents in the Inner West/East increased 1.9% to AUD 113 per sqm p.a. in 1Q18.

North West Prime Yields:

7.25%-8.50%

Yields:

Both prime and secondary yields held firm across all precincts in 1Q18.

52,600 sqm

Gross take-up:

There were eight major tenant moves recorded in 1Q18, totalling 52,600 sqm of gross take-up.

13,633 sqm

Construction:

There was one supply addition in 1Q18 with a new distribution centre for chemical manufacturer Incitec Pivot in Port Adelaide reaching practical completion.