

## Perth



**Leasing demand remains slow.** Gross take-up increased from the previous quarter, totalling 25,000 sqm over the March quarter. Leasing activity over the last year was largely made up of smaller leasing deals of under 10,000 sqm.



**Speculative construction is expected to remain minimal.** There were two additions to industrial supply over the March quarter, totalling 18,900 sqm. Over the last 12 months, 78,700 sqm of new supply was added the Perth industrial market.

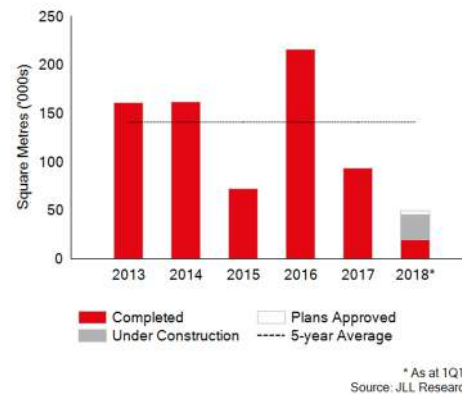


**Yields remained stable in 1Q18.** Yields have tightened 87 basis points over the last three years. The prime mid-point yield remained stable at 6.75% over the 12 months.



**AUD 477.6 million of major (≥ AUD 5.0 million) industrial transactions were recorded over the last 12 months.** There were two industrial transactions in the WA market during 1Q18, totalling AUD 5.2 million. Transaction activity has decreased in the Perth market compared to the previous quarter.

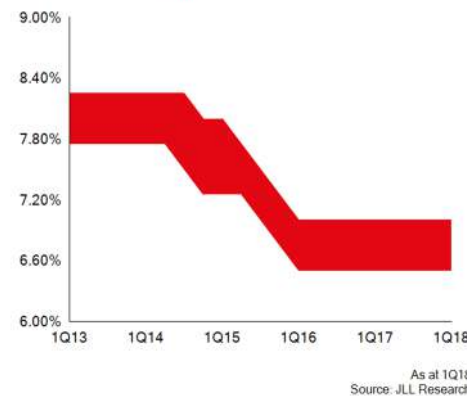
Annual Supply - Perth



Average Prime Rent - Perth



Yield Range (Prime) - Perth



# -5.9%

Perth Annual Rental Growth:

Prime rents declined by an average of 5.9% over the last 12 months across the Perth industrial market. The largest decline was recorded in the East precinct (-9.7%). Secondary rents declined by an average of 5.7% across all precincts over the last 12 months.

# 6.50%-7.00%

Yields:

Prime and secondary yields were unchanged, with no movement recorded in any of the tracked precincts (South, North, East).

# 110,400 sqm

Gross Take-up:

For the 12 months to March 2018, take-up of industrial space was 110,400 sqm; below the 10-year annual average (207,100 sqm). Demand was led by the Transport, Postal and Warehousing sector (45%), followed by the wholesale trade sector (18%).

# 26,650 sqm

Under Construction:

There is a minimal supply pipeline for the Perth industrial market, with just two major projects under construction totalling 26,600 sqm. The largest project under construction is a 21,130 sqm warehouse and distribution centre for Sigma Pharmaceuticals at Brewer Road in Canning Vale.