

JANUARY 2014

AUSTRALIAN CBD OFFICE

Top Sales Transactions 2013 Calendar Year

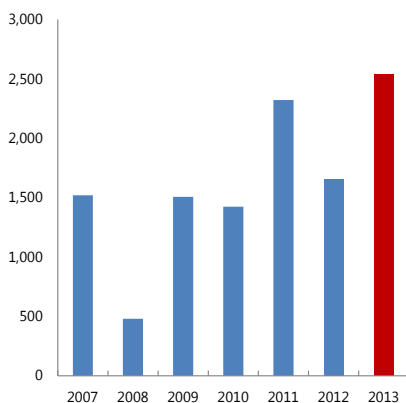
HIGHLIGHTS

- Contrary to conditions being experienced in the leasing market, the depth of demand and competition amongst buyer types has intensified in the capital markets. This is highlighted by sales activity across Australia's major CBD office markets, with almost \$9.4 billion of sales (\$10 million+) changing hands in 2013, more than double the 2012 level. However, the recorded data by number of transactions (93 against the 5 year average of 69) are partly boosted by a significant number of large asset sales and numerous portfolio sales. Melbourne, Sydney and Brisbane CBD's all recorded over \$2 billion of sales in 2013, with Melbourne CBD the most invested city in 2013, however, Perth also recorded a standout year in a historical context. As is common at this time of year, there are also a number of assets presently under contract or final negotiations.
- Domestic institutions became very acquisitive once again in 2013, with 63% of deals, up from 56% in 2012 and against the 5 year average of 50%. The wholesale vehicles/syndicates (32%) and the domestic listed groups (23%) have been particularly active, with multiple purchases by Mirvac Group, Cromwell Property Group, DEXUS, Investa and Charter Hall. This activity has been driven by the consistent reduction in their respective cost of capital making even the most core, passive acquisitions accretive for their shareholders. Super fund's ISPT, Cbus Property and Telstra Super made up the remaining 8%. Despite offshore investors being increasingly outbid for prime, passive CBD assets, they continue to remain active participants, making up 32% of sales by value, however they have shown a greater risk tolerance to non-CBD prime assets and thus have been more successful in outbidding local investors in that sphere.
- The yield compression that begun in late 2012, predominately for "trophy" or upper-prime, passive assets, has continued into 2013, with recent benchmark CBD office sales occurring implying a degree of further firming, particularly assets with stable income streams. We are also now starting to see yield compression come through in those parts of the market which have to-date attracted more limited investor interest, such as non-core or suburban markets and more "value add" opportunities.

SYDNEY CBD OFFICE MARKET

The Sydney CBD market has seen another active year with 2013 sales of \$2.53 billion. With the bulk of passive prime assets relatively tightly held, a high proportion of the largest sales have consisted of either development assets/ opportunities (eg. 200 George Street and the Mirvac acquisition of the GE portfolio) or residential conversion opportunities (227 Elizabeth Street and 115 Bathurst Street). Offshore investors have been the largest net buyer of assets, with net purchases of \$931 million.

Figure 1
Sydney CBD Transactions \$10million+
\$ million total transaction value



Source Knight Frank

Although there remains a considerable depth of willing buyers in the market, it is likely that CBD sales volumes by value may be softer in 2014. The absence of prime assets available for sale is likely to see a higher level of purchaser activity in the secondary tier of the market, where on average assets trade at lower price points. In addition, investors are having to look to non-CBD markets in order to satisfy their demand for prime investments. This has seen a dramatic rise in non-CBD sales, which currently amount to \$2.41 billion year to date or 131% higher than 2012. It is anticipated that these factors will sustain buoyant sales activity across Sydney in 2014, albeit with a shift in the composition of sales volumes by grade and location.

1. 200 George Street

Price: \$317.0 million (50% share)

Date: July 2013

NLA: 39,200m²

Yield: 6.5% reported cap rate

Rate/m² of NLA: \$16,173/m²

Vendor: Mirvac Group

Purchaser: AMP (AWOF)

Comment: 37 storey, premium grade building, currently under construction with completion scheduled for early 2016. **74% pre-leased to EY with Mirvac providing an income guarantee over vacant space at completion.**

2. 260-300 Elizabeth St.

Price: c. \$305 million

Date: December 2013

NLA: 53,637m²

Yield: c. 8.0%-8.25% core market

Rate/m² of NLA: c. \$5,686/m²

Vendor: Investa Property Group (80.01%)/ Aust. Unity Office Property Fund (19.99%)

Purchaser: Invesco (CIC)

Comment: Three A-grade buildings, each on separate title, adjacent to Central Railway Station at the Southern end of CBD. **Acquired on behalf of the Chinese Investment Corporation.**

3. 231 Elizabeth Street

Price: \$201.0 million

Date: March 2013

NLA: 23,275m²

Yield: 7.10% core market (7.50% initial)

Rate/m² of NLA: \$8,636/m²

Vendor: Investa (ICPF and IOF)

Purchaser: Bright Ruby

Comment: 18 level A-grade building fully occupied by Telstra under two primary 10 year leases expiring 2020. Corner location opposite Hyde Park. **Quality views from mid and upper levels.**

4. Alfred, Pitt, Dalley and George Streets Portfolio

Price: \$184.0 million

Date: May 2013 NLA: 34,161m²

Yield: 8.20% core market (7.80% initial)

Rate/m² of NLA: \$5,386/m²

Vendor: GE Real Estate

Purchaser: Mirvac Group

Comment: Five assets for redevelopment located within the "APDG" precinct that benefit from alternative planning controls. **The assets comprised a \$184 million apportionment of a \$584 million total portfolio acquisition.**

5. 9 Castlereagh Street

Price: \$172.5 million

Date: February 2013

NLA: 20,899m²

Yield: 7.60% core market (6.80% initial)

Rate/m² of NLA: \$8,254/m²

Vendor: Stockland

Purchaser: Charter Hall (CPOF)

Comment: 32 level, Seidler designed, A-grade office tower, with \$8.5 million full lobby refurbishment recently completed. **Staggered lease expiry profile with a WALE of 2.4 years extending to circa three years subject to income support.**

6. 227 Elizabeth Street

Price: c. \$145 million

Date: November 2013

NLA: 17,052m²

Yield: N/A

Rate/m² of NLA: c. \$8,503/m²

Vendor: Valad Property Group (V-Plus Fund, managed by Blackstone Group)

Purchaser: Undisclosed Asian Investor

Comment: A 23 level B-grade office building with frontages to Elizabeth, Castlereagh and Bathurst Streets. **Sold as a proposed residential conversion opportunity.**

SYDNEY CBD MAP

7. 207 Kent Street

Price: \$133.03 million

Date: June 2013

NLA: 21,107m²

Yield: 7.70% core market (8.10% initial)

Rate/m² of NLA : \$6,324/m²

Vendor: NSW Government

Purchaser: Cromwell Group

Comment: 24 level A-grade building forming part of a twin tower complex. The asset forms a sublease from the leasehold owners of 201 Kent Street. **Purchased as part of a seven asset portfolio.**

8. 2-24 Rawson Place

Price: \$130.0 million

Date: June 2013

NLA: 25,251m²

Yield: 8.20% core market (8.50% initial)

Rate/m² of NLA : \$5,148/m²

Vendor: NSW Government

Purchaser: Cromwell Group

Comment: Circa 1979, 23 level office building refurbished in 1992. **Purchased as part of seven asset portfolio and subject to a 15 year leaseback.**

9. 115 Bathurst & 339 Pitt St

Price: \$107.50 million

Date: March 2013

NLA: 28,643m²

Yield: N/A

Rate/m² of NLA : \$3,753/m²

Vendor: Brookfield

Purchaser: Greenland Group

Comment: Acquired for residential redevelopment. **Proposal includes 67 storey mixed-use building, accommodating 490 apartments and 173 room hotel.**

10. 20 Hunter Street

Price: c. \$96.00 million (excl. income support)

Date: October 2013

NLA: 9,936m²

Yield: 7.00% core market (6.9% initial#)

Rate/m² of NLA : c. \$10,376/m²

Vendor: CLSA Capital Partners

Purchaser: TIAA-CREF (US Fund)*

Comment: A-grade building, completed in 1998 and comprising ground floor retail and 16 office levels, with a typical floor plate size of 600m².

Gross price (circa \$103 million) includes around \$7 million in income support.



Source of Map: Knight Frank

* Teachers Insurance and Annuity Association - College Retirement Equities Fund

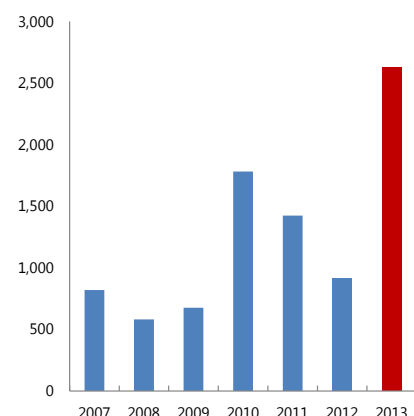
with income support

MELBOURNE CBD OFFICE MARKET

In stark contrast to the muted leasing activity, strong investment appetite from all buyer groups has resulted in a record level of transactional activity over 2013.

Investment sales activity (above \$10 million) in 2013, within the Melbourne CBD, totalled \$2.63 billion across 31 properties, surpassing the \$934 million that was transacted in 2012 and the previous calendar year record (2010) of \$1.7 billion. Transactional activity has been boosted by a number of significant sales with nine transactions above \$100 million recorded in the Melbourne CBD. In 2013 to date, offshore groups were the most prominent purchaser, accounting for 37% of sales buy value, spending more than \$988 million in the Melbourne CBD, up from the \$321 million acquired in 2012. Offshore investors ranged from institutional groups, listed developers and private investors with most investment funds originating from Asia.

Figure 2
Melbourne CBD Transactions \$10mill+
\$ million total transaction value



Source Knight Frank

While investors continue to focus on core assets characterised by the large individual transactions, increasingly investors are seeking opportunities that offer redevelopment potential with 18% of all sales categorised as opportunistic or development transactions.

1. 567 Collins Street

Price: \$462.00 million
Date: February 2013
NLA: 54,271m²
Yield: 6.90% core market (6.70% initial)
Rate/m² of NLA : \$8,513/m²
fund through

Vendor: Leighton Properties
Purchaser: Investa (ICPF & IOF)

Comment: 26 level premium grade office tower under construction, due to complete in mid-2015. The project is 47% pre-committed by Corrs Chambers Westgarth, Leighton Contractors and Virgin Active. **The asset is co-owned by Investa's IOF and ICPF funds.**

2. 3 Collins Square

Price: \$279.00 million
Date: September 2013
NLA: 38,000m²
Yield: 6.25% initial
Rate/m² of NLA : \$7,342/m²

Vendor: Walker Corporation
Purchaser: CIMB Trust Capital Advisors
Comment: Singapore's CIMB Trust Capital Advisors, on behalf of the Malaysian government fund, Kumpulan Wang Persaraan (KWP) and Permodalan Nasional Berhad (PNB) acquired the recently completed office building. **The asset is fully leased to the ATO on a 15 year lease.**

3. 367 Collins Street

Price: \$227.84 million
Date: November 2013
NLA: 37,612m²
Yield: 7.00% core market (7.80% initial)
Rate/m² of NLA : \$6,058/m²

Vendor: Colonial (DPIF)
Purchaser: Mirvac Group
Comment: A-grade office sold with a WALE of 3.5 years. The vendor provided a one-year income guarantee over the 11% vacancy. **Over 2013, within its office portfolio, Mirvac has increased its exposure to the Melbourne CBD from 5% to 22%.**

4. 485 La Trobe Street

Price: \$181.65 million
Date: December 2013
NLA: 33,496m²
Yield: 7.20% core market (7.70% initial)
Rate/m² of NLA : \$5,423/m²

Vendor: CLSA Capital Partners
Purchaser: Lend Lease (APPF Commercial)
Comment: Two office towers joined by a six storey glass atrium and lobby. **Fully leased with a diverse tenancy mix, the asset was sold with a WALE of 3.8 years.**

5. 90 Collins Street

Price: \$170.00 million
Date: May 2013
NLA: 21,253m²
Yield: 7.00% core market (7.00% initial)
Rate/m² of NLA : \$7,999/m²

Vendor: GE Real Estate
Purchaser: Mirvac Group
Comment: Acquired as part of a seven-building office asset portfolio sale. 21 level A-grade office building was sold with a WALE of 4.7 years. **The vendor provided a two-year income guarantee over the 43% vacancy.**

6. 8 Exhibition Street

Price: \$160.20 million (50% interest)
Date: June 2013
NLA: 44,929m²
Yield: 6.80% core market (6.40% initial)
Rate/m² of NLA : \$7,131/m²

Vendor: Cbus Property
Purchaser: Keppel REIT
Comment: The transaction was initiated through Commonwealth Property Office Fund (CPA), which acquired a call option as **part of an earlier deal when Cbus bought into 5 Martin Place in Sydney.**

MELBOURNE CBD MAP

7. 8 Exhibition Street

Price: \$160.05 million (50% interest)

Date: April 2013

NLA: 44,929m²

Yield: 6.52% core market (6.45% initial)

Rate/m² of NLA: \$7,125/m²

Vendor: Cbus Property

Purchaser: GPT Wholesale (GWOF)

Comment: Completed in 2006, the 40 level A-grade office building was sold with a WALE of 4.5 years. **While fully leased, the EY expiry in 2017 reflects 56% of the gross passing income.**

8. 313 Spencer Street

Price: \$114.60 million (50% interest)

Date: February 2013

NLA: 28,679m²

Yield: 6.40% core market (6.39% initial)

Rate/m² of NLA: \$7,992/m²

Vendor: Cbus Property

Purchaser: Invesco (Korea Post)

Comment: 15 level A-grade office tower under construction, due to complete in mid-2015. **The project is fully pre-committed by Victoria Police on a 20-year lease.**

fund through

9. 380 La Trobe Street

Price: \$113.60 million

Date: November 2013

NLA: 21,981m²

Yield: 7.67% core market (7.70% initial)

Rate/m² of NLA: \$5,168/m²

Vendor: Cromwell Group

Purchaser: Invesco

Comment: 23 storey A-grade office building completed in 2003 sold with a WALE of 5.1 years. **Agrium (formerly the Australian Wheat Board) occupies 50% of the building.**

10. 447 Collins Street

Price: \$91.00 million

Date: November 2013

NLA: 30,737m²

Yield: VP

Rate/m² of NLA: \$2,961/m²

Vendor: ISPT

Purchaser: Cbus Property

Comment: **As part of the transaction, the vendor, ISPT has a first right of refusal to buy back into a potential redevelopment of the property, left vacant by Suncorp.**

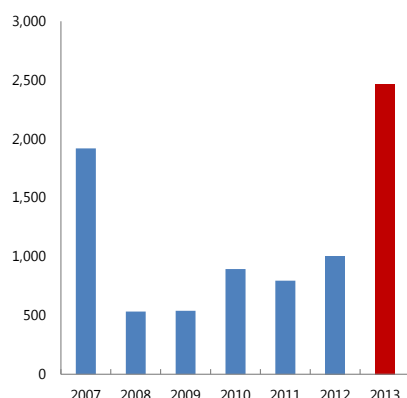


Source of Map: Knight Frank

BRISBANE CBD OFFICE MARKET

Transaction activity within the Brisbane CBD accelerated during 2013 as the breadth of purchasers and weight of money impacted on the investment landscape. In line with the other major investment markets, the Brisbane CBD has seen interest and activity from AREITs, wholesale funds and offshore investors. This has resulted in \$2.468 billion worth of transactions by value in 2013, with a further circa \$150 million understood to be in due diligence. This exceeds the previous record from CY 2007 of \$1.95 billion.

Figure 3
Brisbane CBD Transactions \$10million+
\$ million total transaction value



Source Knight Frank

Market activity was dominated by three transactions in excess of \$400 million. The largest of these was the pre-sale of 480 Queen Street for an estimated \$543.9 million (subject to final leasing parameters), acquired by DEXUS Property Group and DWPF in equal shares. The Qld State Government divested seven office assets off market, in two tranches to QIC funds, for a total of \$526.5 million. Most recently ISPT has acquired a 50% interest in 1 William Street for a total consideration of circa \$400 million on completion. Unlisted funds clearly dominated purchasing activity with 69% of transactions by value, followed by AREITs with 19% (\$457.75m) and offshore investors with 10% (\$248.50m).

1. 480 Queen Street

Price: \$543.90 million
Date: March 2013
NLA: 55,561m²
Yield: 7.25% core market estimated
Rate/m² of NLA: \$9,789/m²
fund through

Vendor: Grocon

Purchaser: DEXUS (50%)/DWPF (50%)

Comment: Pre-sale and fund through of a premium building to be completed 2016. Sold with 39% pre-commitment to BHP, Herbert Smith Freehills. **Grocon to provide rent guarantee over vacant space on completion.**

2. State Govt Portfolio 1

Price: \$414.50 million
Date: April 2013
NLA: 104,807m²
Yield: n/a
Rate/m² of NLA : \$3,955/m²

Vendor: Qld State Government

Purchaser: QIC Private Capital & QIC Infrastructure Management 2

Comment: Sale of six assets: a)81 George St, b)30 Mary St, c)61 Mary St, d)111 George St & e)33 Charlotte St. Buildings leased back by the State Govt on a variety of terms. **Not offered to open market.**

3. 1 William Street ^

Price: circa \$400.00 million (50% interest)
Date: December 2013
NLA: 76,853m²
Yield: circa 6.50% core market (reported)
Rate/m² of NLA : \$10,409/m²
^ Site purchase of \$40-\$50 million with balloon payment on completion, total consideration circa \$400 million

Vendor: Cbus Property

Purchaser: ISPT

Comment: 43 level A-grade tower, with ground floor retail, under construction. The office component (39 levels) has been pre-leased to the Queensland Government for 15 years. **Vendor is the developer and retains 50% ownership. Expected completion October 2016.**

4. 400 George Street

Price: \$195.80 million (50% interest)
Date: February 2013
NLA: 43,493m²
Yield: 6.99% core market (7.06% initial)
Rate/m² of NLA : \$9,004/m²

Vendor: Grosvenor Freehold

Purchaser: South Australia Motor Accident Commission

Comment: 35 Level A-grade tower completed in 2009, mix of State, Federal and private sector tenants. WALE of 7.1 years. **Part of the withdrawal of Grosvenor Freehold from Brisbane.**

5. 259 Queen Street

Price: \$173.00 million
Date: June 2013
NLA: 24,789m²
Yield: 7.54% core market (8.65% initial)
Rate/m² of NLA : \$6,979/m²

Vendor: Grosvenor Freehold

Purchaser: Investa (ICPF)

Comment: A-grade building completed in 2004 with floor plates of circa 1,500m². WALE of 3.4 years. **Some short term leasing risk with Peabody Coal (2014) and Bank of QLD (2015) to relocate.**

6. 179 Turbot Street

Price: \$172.29 million
Date: November 2013
NLA: 24,975m²
Yield: 8.13% core market (9.03% initial)
Rate/m² of NLA : \$6,899/m²

Vendor: Morris Property Group

Purchaser: Kumpulan Wang Persaraan

Comment: A-Grade tower completed in 2009 with 187 car bays. Typical floors approx 1,260m². WALE of 5.7 years. **Transaction undertaken and asset managed by Investa on behalf of the Malaysian superannuation fund.**

BRISBANE CBD MAP

7. 307 Queen Street

Price: \$120.80 million Date: Dec 2013

NLA: 19,650m²

Yield: 8.09% core market (8.51% initial)

Rate/m² of NLA : \$6,147/m²

Vendor: Westlawn Property Trust

Purchaser: GDI Property Group

Comment: B-grade building of 25 levels with two basement parking levels for 91 cars. Centrally located and leased to multiple tenants. **One of four assets to form the foundation of the listed GDI Group.**

8. State Govt Portfolio 2

Price: \$112.00 million Date: Apr 2013

NLA: 43,794m²

Yield: n/a

Rate/m² of NLA : \$2,557/m²

Vendor: Qld State Government

Purchaser: QIC Investments No 3 & QIC Infrastructure Management 2

Comment: Sale of two assets a) 41 George St & b) 80 Ann St +67 Turbot St as part of portfolio sale. **Relatively land rich assets.**

9. 127 Creek Street

Price: \$71.00 million Date: Aug 2013

NLA: 18,407m²

Yield: n/a

Rate/m² of NLA : \$3,857

Vendor: GE Real Estate

Purchaser: Blackstone Group

Comment: B-grade building constructed in 1974 and refurbished in 1995. 26 levels with typical floors of 800m² and parking for 125 cars. **Purchased with 40 Tank Street off market.**

10. 147 Charlotte St & 146 Mary St

Price: \$65.00 million Date: May 2013

NLA: 26,651m²

Yield: 20.77% initial

Rate/m² of NLA : \$2,439/m²

Vendor: Suncorp Securitisation

Purchaser: Cromwell Group

Comment: Two adjoining buildings leased to the State Govt until 2015 & 2017. **Floorplates average 778m².**

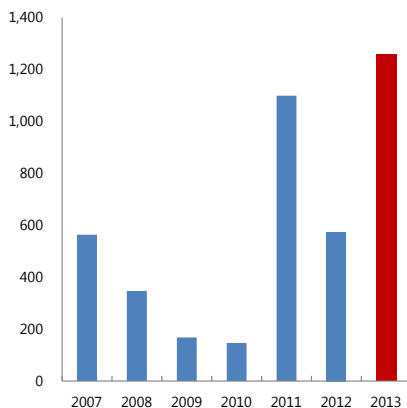


Source of Map: Knight Frank

PERTH CBD OFFICE MARKET

Considerable transaction activity totalling \$1.26 billion occurred within the Perth CBD in the 2013 year to date, a figure substantially higher than the \$589.1 million that was recorded in 2012. The historically high value of sales in 2013 consists of just six transactions (albeit includes KS1, 2 and 3 in one line), two of which are the highest Perth CBD sales on record.

Figure 4
Perth CBD Transactions \$10million+
\$ million total transaction value



Source: Knight Frank

Domestic groups have been the dominant purchasers during the year, accounting for 86.8% of total acquisitions with Mirvac, DEXUS and Charter Hall acquiring more than \$1.12 billion worth of property over three transactions. Large spreads between the cost of debt and property yields have provided favourable conditions for domestic investors seeking acquisition opportunities that will increase total returns. Off-shore investment has been just over 13% of total purchases by value, which consists of Canadian pension fund, PSP's, 33% share in the acquisition of Raine Square and Bankwest Place at 300 Murray Street, as well as Blackstone's purchase of 8 St Georges Terrace in July this year. Significant transactional volumes in 2013 can be predominantly attributed to the timing of prime stock coming to market, in particular, 300 Murray Street, KS1-3 Wellington Street and 77 St Georges Terrace.

1. 300 Murray Street

Price: \$458.0 million
Date: April 2013
NLA: 61,490m²
Yield: 7.60% core market (6.40% initial)
Rate/m² of NLA : \$7,448/m²
receivers & managers appointed

Vendor: Westgem Investments Pty Ltd #
Purchaser: Charter Hall (CPOF), Telstra Super & PSP (Canada) - 33.3% shares
Comment: 22 level premium office tower which is fully leased to the Bank of Western Australia Ltd for an initial term of 12 years. **The asset sold with a 9.6 year WALE (income).**

2. KS1-3 Wellington Street

Price: \$434.8 million
Date: February 2013
NLA: KS1 (23,156m²), KS2 (20,440m²), KS3 (9,185m²)
Yield: 8.0% core market
Rate/m² of NLA : \$8,238/m² (total)

Vendor: Seven Entertainment Pty Ltd
Purchaser: DEXUS & DWFP
Comment: Forming part of Kings Square, KS1, 2 & 3 are to be constructed as three standalone A-grade office buildings. Completion is expected in Q4 2015. **Major tenants John Holland and Shell have pre-committed to 45% of NLA.**

3. 77 St Georges Terrace

Price: \$231.0 million
Date: June 2013
NLA: 28,123m²
Yield: 8.20% core market (8.30% initial)
Rate/m² of NLA : \$8,214/m²

Vendor: GE Real Estate
Purchaser: Mirvac Group
Comment: 34 level A-grade office tower completed in 1975/76. **The asset, which sold as part of a GE portfolio sale, had 4.6% vacancy and WALE of 6.6 years.**

4. KS4 Wellington Street

Price: \$97.886 million
Date: February 2013
NLA: 13,305m²
Yield: 7.9% core market
Rate/m² of NLA : \$7,357/m²

Vendor: Seven Entertainment Pty Ltd
Purchaser: HBF House Pty Ltd
Comment: Forming part of Kings Square, KS4 is to be constructed as a 13 level, A-grade office building which is being developed by Leighton Properties Pty Ltd. **Owner Occupiers, HBF, will occupy 9,000m² of NLA.**

5. 80 Stirling Street ^

Price: \$72.15 million
Date: June 2013
NLA: 19,775m²
Yield: 11.47% core market (12.43% initial)
Rate/m² of NLA : \$3,649/m²

Vendor: Australian Unity
Purchaser: CorVal Partners
Comment: Eight level office building completed in 1982 sold with nil vacancy and a WALE by income of 3.9 years. **CorVal intend to undertake a major staged refurbishment of the building at a cost in the order of \$14 million.**

6. 8 St Georges Terrace

Price: \$24.0 million
Date: July 2013
NLA: 4,554m²
Yield: 9.75% core market (9.8% initial)
Rate/m² of NLA : \$5,270/m²

Vendor: GE Real Estate~
Purchaser: Blackstone Group
Comment: Eight level B-grade office development which is fully leased to RSM Bird Cameron for 10 years, lease expires in late 2018. Net passing income is \$2,352,147 per annum. **Sold as part of a national portfolio of seven assets.**

~ part of a national portfolio of seven assets

7. 50 William Street

Price: \$12.15 million

Date: May 2013

NLA: 2,637m²

Yield: 8.50% core market

Rate/m² of NLA: \$4,608/m²

Vendor: Bankwest (R & I Bank of Western Australia)

Purchaser: Silverleaf Investments Pty Ltd

Comment: Six level office development purchased with vacant possession from owner occupiers Bankwest. **Capex in the order of \$857,000 is required to cover general building and lift upgrades.**

8. 79 Stirling Street ^

Price: \$11.5 million

Date: October 2013

NLA: 2,397m²

Yield: 9.0% core market (10.30% initial)

Rate/m² of NLA: \$4,798/m²

Vendor: Goya Holdings Pty Ltd

Purchaser: GFC Properties Pty Ltd

Comment: Five level B-grade office development which sold with nil vacancy and a 2.5 year income WALE. The passing rental is considered to be above market, currently at \$431 to \$479/m². **A market rent of \$395/m² is considered more appropriate.**

9. 15-17 Altona Street, WP *

Price: \$11.5 million

Date: March 2013

NLA: 2,290m²

Yield: 9.4% core market (9.8% initial)

Rate/m² of NLA: \$5,021/m² (blended NLA)

Vendor: WALGA

Purchaser: BR3 Pty Ltd & Trout Holdings Pty Ltd

Comment: Five level building comprising three levels of office totalling 1,911m² with two floors above comprising three residential apartments. **The asset sold with nil vacancy and a WALE of 0.9 years by income.**

10. 647-659 Murray Street, WP *

Price: \$10.5 million

Date: April 2013

NLA: 3,410m²

Yield: N/A (residential development site sale)

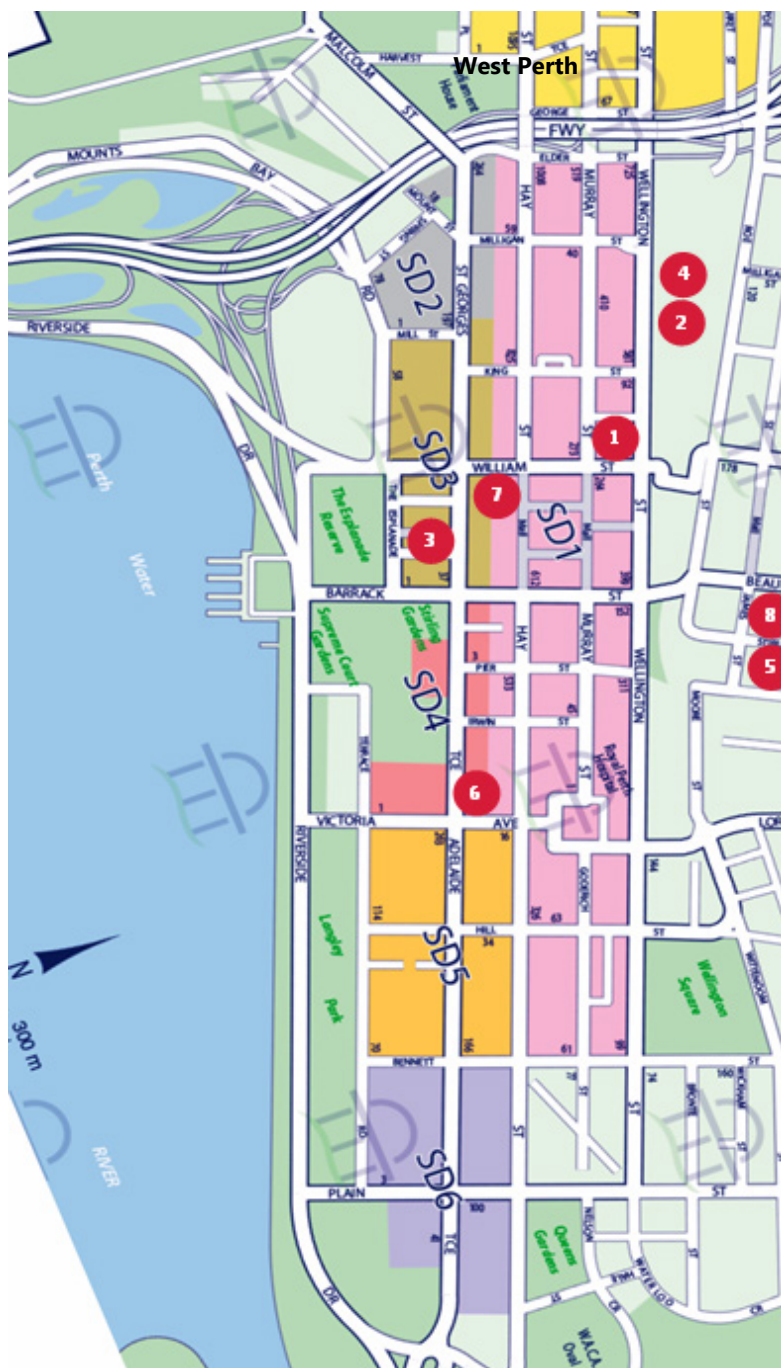
Rate/m² of NLA: \$3,094/m²

Vendor: Clinipath

Purchaser: Finbar Group Limited

Comment: The asset sold to Finbar as part of a joint venture project. **Current improvements will be demolished in 2014 to allow for the construction of a new apartment development.**

PERTH CBD MAP



Source of Map: PCA

Note: Sales include transactions that occurred in the CBD and West Perth markets.

* Sales 9 & 10 are West Perth sales hence just off the map. West Perth adjoins the western end of the Perth CBD.

WP West Perth

^ Fringe sale

Westgem were the 'receivers & managers appointed'

ADELAIDE OFFICE MARKET

1. 50 Flinders Street *

Price: Circa \$140 million Date: Apr 2013
 NLA: 21,431m²
 Yield: Confidential
 Rate/m² NLA: \$6,533/m²
 Vendor: Commercial & General
 Purchaser: Cbus Property
 Comment: Development project - 74% pre-committed to People's Choice C.U. & Santos. **The building will comprise a 14 level A-Grade office tower with a 5 star NABERS energy rating.**

2. 45 Pirie Street

Price: \$87.00 million Date: June 2013
 NLA: 19,855m²
 Yield: 8.76% core market (8.69% initial)
 Rate/m² NLA: \$4,382/m²
 Vendor: Colonial (CPA)
 Purchaser: CorVal Partners
 Comment: The 19 level A-Grade office tower sold with a WALE of 4.3 years. **Major tenant, SA Government, occupies 76% of the total building NLA, with lease expiry at end of 2017.**

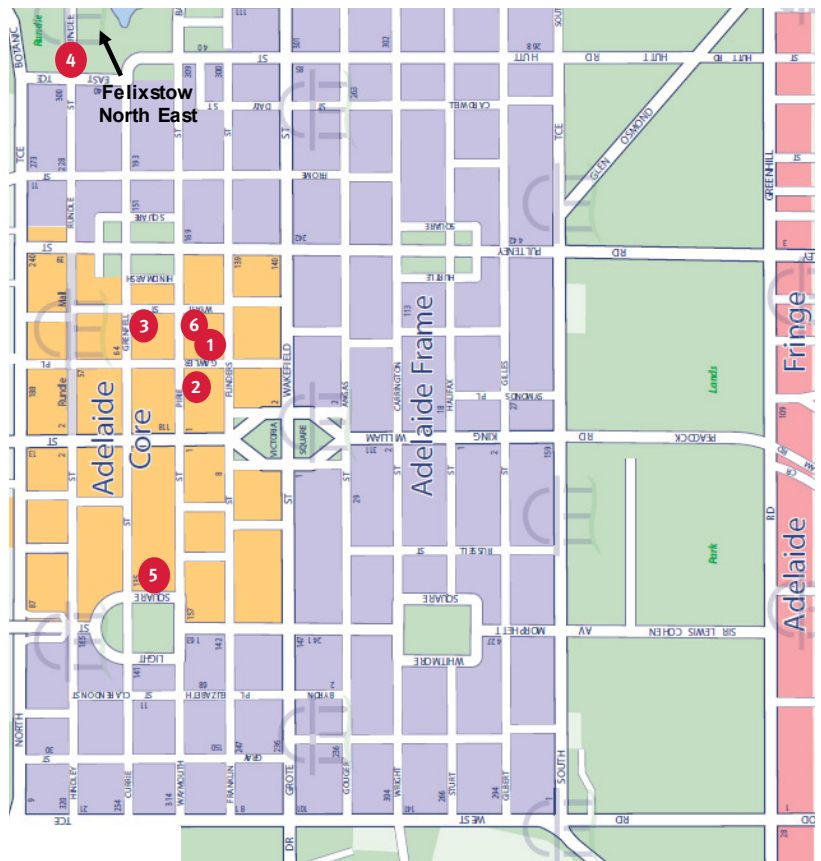
3. 101 Grenfell Street ^

Price: \$42.95 million Date: Jan 2013
 NLA: 13,196m²
 Yield: 9.10% core market
 Rate/m² NLA: \$3,255/m²
 Vendor: Cromwell Group
 Purchaser: Private Syndicate
 Comment: The 14 level B-Grade office tower sold with the SA Government occupying approximately 90%. **Capital expenditure (\$150k) was negotiated for a lift upgrade and was taken as capital contribution from the vendor back to the purchaser.**

4. 196 O G Road, Felixstow #

Price: \$15.35 million Date: Sept 2013
 NLA: 6,192m²
 Yield: VP
 Rate/m² NLA: \$2,479/m²
 Vendor: Urban Renewal Authority
 Purchaser: Commercial & General
 Comment: A modern, two level suburban office building, originally purpose built for JP Morgan as a data centre, sold conditional on securing a specific tenant. **The property is located approximately 6 kilometres north east of the Adelaide CBD.**

ADELAIDE CBD MAP



Source of Map: PCA

Note. Sales include transactions that occurred in the Core, Frame, Fringe and suburban markets, hence not all dots are on the map.

Sale 4 is a suburban location. Felixstow is around 6kms north east of the CBD

^ Off Market Transaction

* As If Complete Sale (completion 2015)

C.U. Credit Union VP Vacant Possession

5. 70 Light Square

Price: \$14.50 million
 Date: August 2013
 NLA: 3,348m²
 Yield: 8.47% core market (8.73% initial)
 Rate/m² of NLA: \$4,331/m²
 Vendor: Ambitio Pty Ltd
 Purchaser: Luna & Valk Pty Ltd
 Comment: Situated on the western edge of the CBD Core office precinct. **The six level refurbished B-Grade office building is 100% leased with a 4 star NABERS energy rating.**

6. 101 Pirie Street

Price: \$12.00 million
 Date: February 2013
 NLA: 6,788m²
 Yield: VP
 Rate/m² of NLA: \$1,768/m²
 Vendor: Cascadale Holdings
 Purchaser: Health Partners Ltd
 Comment: The 10 level, lower B-Grade office building sold subject to two ground floor retail tenants being leased on a monthly basis only. **The purchaser seeks to owner occupy.**

CANBERRA OFFICE MARKET

1. Industry House, 10 Binara Street, Civic

Price: \$151.70 million Date: Aug 2013
 NLA: 24,979 m²
 Yield: 7.01% core market (7.37% initial)
 Rate/m² NLA: \$6,073/m²
 Vendor: CorVal Partners
 Purchaser: Brompton Asset Management
 Comment: A modern 14 level office building purpose built for DIISRTE in 2006. **Office component fully leased to DIISRTE until 2021 (8.4 year WALE) – off market transaction.**

2. Campbell Park Offices, Majura

Price: \$100.40 million Date: June 2013
 NLA: 41,671m²
 Yield: 10.61% core market (10.92% initial)
 Rate/m² NLA: \$2,409/m²
 Vendor: GE Real Estate
 Purchaser: PAG (Pacific Alliance Group) ^
 Comment: Campus style office complex comprising a series of seven level interconnected wings in a bushland setting between the Airport and CBD. **Sold to a Hong Kong investor as part of a nine property national portfolio. WALE of 9 years.**

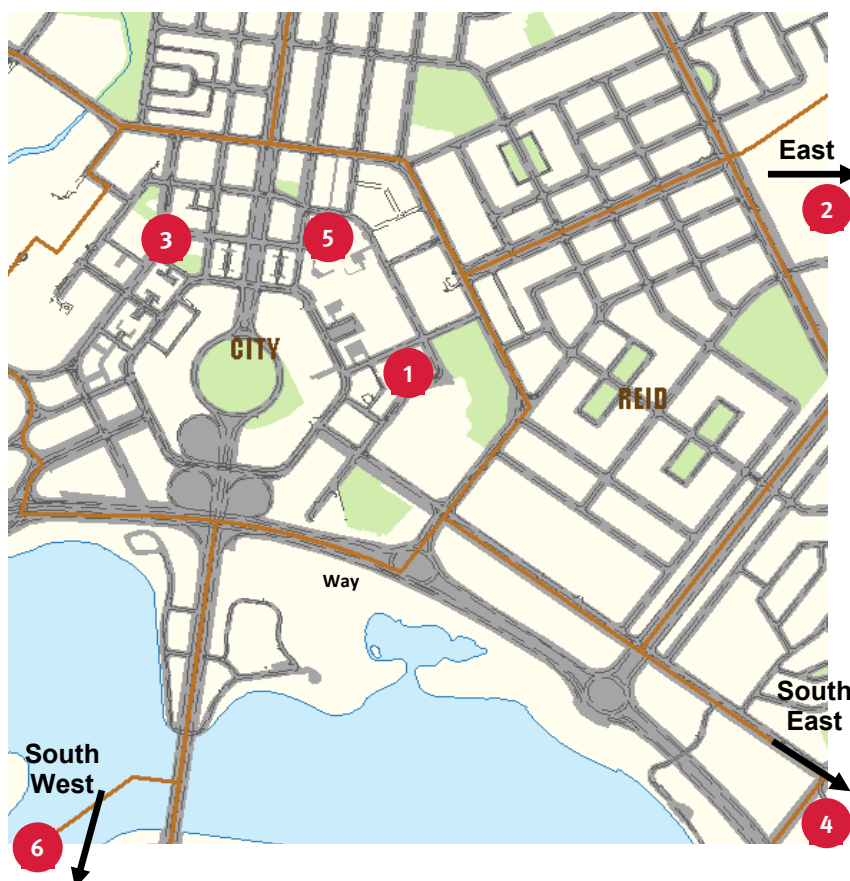
3. 40 Marcus Clarke Street, Civic#

Price: \$35.80 million Date: June 2013
 NLA: 12,248m² (includes retail & Canberra Club)
 Yield: 9.20% core market (6.26% initial)
 Rate/m² NLA: \$2,923/m²
 Vendor: PrimeSpace Property Investment
 Purchaser: Morris Property Group
 Comment: A 12 level office building with ground floor retail sold to local developer. **Premium for surplus development rights - DA for residential conversion was lodged in November 2013.**

4. 11 Farrer Place, Queanbeyan

Price: \$22.60 million Date: July 2013
 NLA: 6,300m²
 Yield: 8.72% core market
 Rate/m² NLA: \$3,587/m²
 Vendor: NSW Government
 Purchaser: Cromwell Group
 Comment: Purchased as part of a portfolio of seven office assets from the NSW Government. **The overall WALE of the portfolio was 10 years, however this asset was subject to a 15 year leaseback by Government Property NSW.**

CANBERRA CIVIC MAP



Source of Map: ACT Planning and Land Authority (ACTMAPi)

Note: Sales include transactions that occurred in all major Canberra office precincts
 DIISRTE Dept. of Innovation, Industry, Science, Research and Tertiary Education
 ~ sold as part of a national portfolio of seven assets
 ^ CC Nominees – Hong Kong based investor
 # building known as Canberra House

5. 4 Mort Street, Civic

Price: \$14.75 million
 Date: March 2013
 NLA: 5,465m²
 Yield: 11.50% core market (11.10% initial)
 Rate/m² of NLA: \$2,699/m²
 Vendor: Trafalgar Corporate Group
 Purchaser: Gladiator Investments
 Comment: Six level office building located in Civic. A major refurbishment was undertaken in 2009. **NABERS energy rating of 4.5 Stars and WALE of 3.7 years (two Commonwealth agencies).**

6. Churches Centre 205 Anketell St, Greenway

Price: \$10.25 million Date: Aug 2013
 NLA: 6,832m²
 Yield: 11.10% core market (1.10% initial)
 Rate/m² of NLA: \$1,500/m²
 Vendor: GE Real Estate ~
 Purchaser: Blackstone Group
 Comment: Five level office/retail building occupying a prominent corner site in Tuggeranong Town Centre. **Entire office component (4,960m²) was vacant at time of sale, hence low initial yield.**

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Chile

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