RESEARCH

NOVEMBER 2013

NORTH SHORE

Office Market Overview

The Australian Hearing Hub
16 University Avenue, Macquarie University

HIGHLIGHTS

- The North Shore market is about to enter a new phase of development with the long awaited addition of new office space expected in North Sydney. Development at Leighton's 177 Pacific Highway will commence the construction cycle, with 100 Mount Street expected to be advanced shortly thereafter pending commitments. These additions are likely to have an impact across the total North Shore as tenants consolidate or relocate their tenancies as new opportunities present themselves. This is likely to have an impact on vacancies across the region, however more notably in the secondary market;

- However this impact is being somewhat ameliorated by the amount of stock, which is being withdrawn from supply to enable new residential projects, particularly in the secondary segment. This is occurring throughout all the North Shore markets including Macquarie Park;

- Demand levels are expected to remain subdued, resulting in limited rental growth over the next few years, trending within the CPI range of 2.50% and 3.50% across all prime markets while secondary remains at the lower end of this range. Incentives are expected to remain a feature in this market for the short to medium term at around their current rates;

- Conversely, investment activity has started to pick up as purchasers see value on offer particularly after the prior few years of strong rental growth across all North Shore precincts. Investment yields have begun to tighten, most notably in the prime market whilst still offering an attractive office investment alternative to the tightly held CBD for both domestic and international investors.

NORTH SHORE OFFICE OVERVIEW

Table 1
North Shore/North Ryde Office Market Indicators as at October 2013

Market	Grade	Total Stock (m^2)^	Vacancy Rate (%) ^	Annual Net Absorption (m^2)^	Avg Net Face Rent ($/$m^2$)	Outgoings ($/$m^2$)	Average Incentive (%)	Average Core Market Yield (%)
North Sydney	Prime	222,796	6.5	-4,040	608	114	27.4*	7.00 - 7.75
North Sydney	Secondary	637,665	12.0	-20,733	492	113	29.6*	8.75 - 9.25
North Sydney	**Total Market**	**860,461**	**10.6**	**-24,773**	**522**	**113**	**29.0***	**7.25 - 9.25**
Crows Nest/St Leonards	Prime	102,699	14.4	-2,506	466	108	29.7*	8.00 - 9.00
Crows Nest/St Leonards	Secondary	261,229	13.5	-7,930	385	103	30.0*	9.25 - 10.00
Crows Nest/St Leonards	**Total Market**	**363,928**	**13.8**	**-10,436**	**408**	**104**	**29.9***	**8.00 - 10.00**
Chatswood	Prime	155,795	9.3	-1,576	416	108	29.3*	8.50 - 9.25
Chatswood	Secondary	123,433	10.3	-2,406	395	95	30.6*	9.50 - 10.25
Chatswood	**Total Market**	**279,228**	**9.8**	**-3,982**	**407**	**102**	**29.9***	**8.50 - 10.25**
North Shore	**Total Market**	**1,503,617**	**11.2**	**-39,191**	**473**	**109**	**29.4***	**7.25 - 10.25**
North Ryde/Macquarie Park	Prime	578,427	5.2	-6,209	338	90	25.0‡	8.00 - 8.50
North Ryde/Macquarie Park	Secondary	256,018	13.8	-2,869	283	95	30.0‡	9.00 - 10.00
North Ryde/Macquarie Park	**Total Market**	**834,445**	**7.8**	**-9,078**	**321**	**92**	**26.5‡**	**8.00 - 10.00**

Core Market Yield:	The percentage return/yield analysed when the assessed fully leased net market income is divided by the adopted value/price which has been adjusted to account for property specific issues (i.e. rental reversions, rental downtime for imminent expiries, capital expenditure, current vacancies, incentives,etc).
Grade:	Prime includes modern and A-Grade stock whilst Secondary includes B, C and D quality Grade.

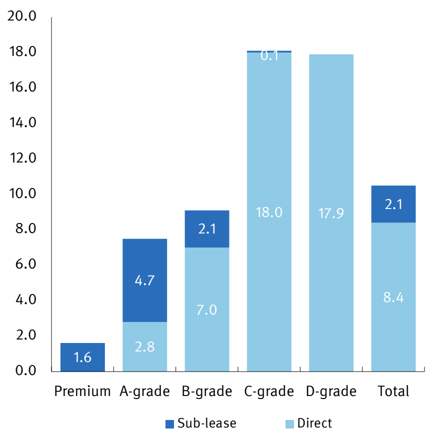
Source: Knight Frank Research/PCA ^ as at July 2013 *Incentives on a Gross basis ‡ Incentives are on a Net basis NB. Average data is on a weighted basis
Yield ranges reflect the average lower and average upper yields for a select basket of office assets in each market and Grade

NORTH SYDNEY

Leasing Market and Rents

North Sydney leasing market activity has softened over the past 18 months after strong results the prior two years where prime vacancies were tight and face growth increased. Annual net absorption (to July 2013) has recorded a negative change –27,904m^2, with the past six months showing the worst of the results -24,773m^2. This large reduction is largely attributed to the relocation of TAL out of the North Sydney market to the Sydney CBD. This building will be removed from the stock count in the January 2014 period for redevelopment into a residential tower. This will result in the total vacancy level coming back down from its current high of 10.6% to more normalised sub 10% levels.

Figure 1
Vacancy by Quality Grade
North Sydney, July 2013 (% vacant)

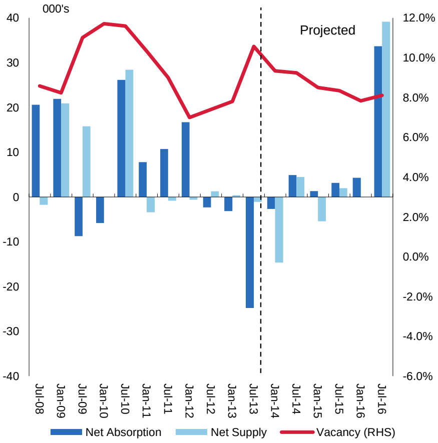


Source: PCA

Sub-lease vacancy continues to be a key issue for the A grade office market, now accounting for 8,736m^2 of total A grade vacancy as at July 2013. While this result is 2,856m^2 higher than six months ago, its expected that this figure is still over 5,000m^2 shy of the true result. Despite this increased level of sub-lease space hitting the market, the relatively short lease terms on offer (of less than five years) will have limited impact as tenants generally are seeking longer term leases making many of the available sub-lease options unviable.

Looking ahead, there continues to be a limited supply pipeline for the short term until the first major completion due in mid 2016. On the demand side, competition from the CBD will continue as attractive leasing options are offered, particularly given the strong growth in North Sydney rents over the past three to four years. Forecast employment growth is also expected to be limited however despite these reduced demand levels, total vacancy levels will continue to decline to sub 8.0% rates in 2016, before growing in the latter periods of the forecast when supply additions come on line and issues of backfill emerge.

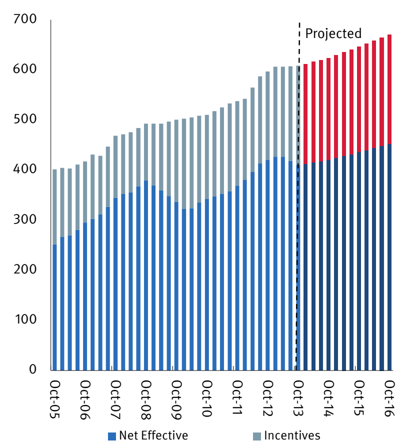
Figure 2
Net Supply, Net Absorption & Vacancy
North Sydney forecast



Source: PCA/Knight Frank

Prime net face rents currently average \$608/m², representing just 1.9% growth over the 12 months to October and close to 20% over the past three years. Growth in effective rents has now halted with incentives recording small increases over the last six months after reductions over the prior two years. Currently prime incentives are 27.4% which are up from the 25% recorded for the prior few years.

Figure 3
A-Grade Net Rents and Incentives
Prime North Sydney (\$/m²)



Source: Knight Frank

Knight Frank is projecting some slowing in prime face growth over the remainder of this financial year with the next two years averaging around CPI increases. Effective rates are expected to improve in 2014 as there is potential for incentives to again reduce back to levels around 25%. The secondary face rental market is also expected to show minimal change for the 2013/2014 period, however the next two financial years are expected to rebound to 3.5% before averaging 3.0% for the remainder of the forecast period. Incentives are expected to reduce to 27.5% by mid 2015, however over the longer five year period the average is expected at approximately 28%.

Development Activity

Total stock levels have been reducing across the North Sydney market over the last few years, with more supply being withdrawn from the market then being added, however we are now on the cusp of a new supply cycle. There has been approximately 120,000m² of DA Approved buildings in the pipeline for some time however 177 Pacific Highway will be the first project to come into the market. Leighton Developments will bring on 39,144m² in their development which is 76% pre committed to Leighton. Leighton will consolidate their tenancies occupying space across the North Shore in Chatswood, St Leonards and North Sydney. This property is expected to be completed the first half of 2016 which is likely to be followed a year later by 100 Mount Street which has been actively marketing to secure a tenant for the 40,100m² DA Approved tower. It is anticipated a local tenant will commit to around half of the building which will trigger the commencement. These new additions are seen as overdue for the North Sydney market with no major new stock completed since Coca-Cola Place at 40 Mount Street in 2010. Still in the pipeline is the DA approved development at 1 Denison Street for 45,270m² by Eastmark Holdings which could also be advanced in quick succession along with 100 Mount Street.

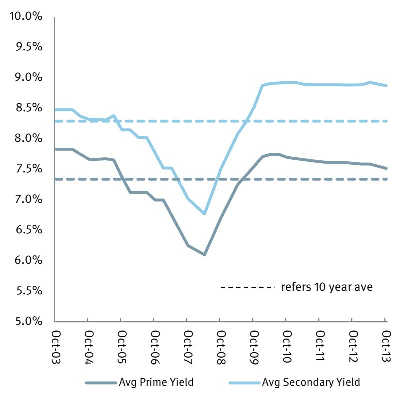
Refurbished stock will continue to be added over the next few years. It is expected that the AAMI tenancy at 99 Walker Street will result in around 5,000m² removed from the market, similarly 165 Walker Street is undergoing refurbishment and will re-enter stock in 2014. Over the next five years if all forecast projects are developed, the total stock of the North Sydney office market will grow by around 15% to 968,400m².

Sales and Investment Activity

North Sydney has seen a flurry of investment activity this year. Most recently is the \$413.19 million ASX announced sale by Leighton Properties of 177 Pacific Highway to Suntec REIT on an initial yield of 6.89%; the property was offered with a rental guarantee and due for completion early/mid 2016. Other sales include, 99 Walker Street, sold by GE Real Estate Investments for \$124.9 million to Investa Office Fund (IOF) on a core market yield of 8.2%. Investa Property Group has sold a B grade property at 146 Arthur Street to General Nice Development for \$50.50 million with a core market yield of 8.8% and 2.8 year WALE.

Prime core market average yields range between 7.00% and 7.75% with an indicative rate of 7.52%. This average rate has been reducing from 7.75% three years ago. Going forward we expect some tightening in yields over the next two years, to then average 7.00% by mid 2016. Secondary assets are in the range of 8.75% to 9.25% averaging 8.88%, a slight improvement on last period.

Figure 4
Average Core Market Yields
North Sydney



Source: Knight Frank

CROWS NEST/ST LEONARDS

Leasing Market and Rents

Crows Nest/St Leonards total vacancy levels have increased in the six months to July 2013 growing from 12.0% to 13.8%, representing 50,110m^2 of vacant stock. This increase has come despite a 4,668m^2 withdrawal from the market as net absorption for the six months was negative -10,436m^2. Limited demand across all quality types have seen vacancies increased for both prime and secondary stock, recording 14.4% and 13.5% respectively.

Rental growth has now stalled after the robust increase recorded in late 2011/early 2012. Prime net face rents average \$466/m^2, representing annual growth to October 2013 of 0.8%. Although leasing demand continues to favour prime buildings, secondary rental growth on an annual basis surprisingly has outperformed prime. As at October 2013, secondary net face rents averaged \$385/m^2, representing annual growth of 1.8%. It is considered that this result reflects some ‘catch up’ after the strong growth in prime rents from mid 2009 to late 2012 rather than any shift in tenant demand. After being under downward pressure earlier in the year, incentives have increased marginally across the prime market with secondary stabilising. Prime now averaging 29.7% gross, after hitting 29.0% earlier in the year and secondary remaining at 30%.

During 2016 (and beyond), completions in North Sydney may result in possible relocations out of Crows Nest/St Leonards to upgrade as greater Prime opportunities emerge. The potential backfill will have a dampening effect on rental growth and keep incentives elevated particularly in the secondary market.

Rental growth in the prime market is expected to stay within the CPI band with only 2.5% annual growth expected the next two years before increasing marginally. Incentives however are expected to remain stable with some decrease in the short term before increasing back up to 30% in the latter period of our forecast. Secondary is likely to trend similarly with CPI across the forecast period.

Figure 5
Net Effective Rents
Prime & Secondary Crows Nest/St Leonards (\$/m^2)

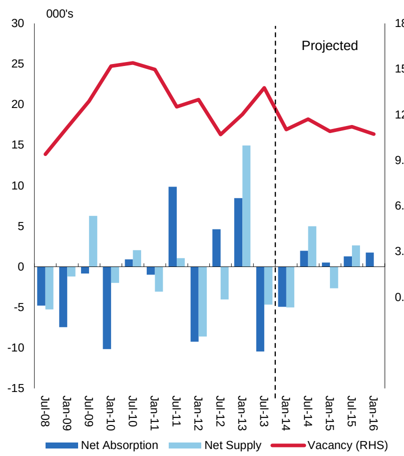
Source: Knight Frank

Development Activity

Crows Nest/St Leonards is expected to remain relatively dormant on the development side for the next few years. This lack of supply will keep vacancy levels below their current rates averaging 11.2% over the next two years. The DA Approved site at 88 Christie Street has yet to achieve any pre-lease tenants and will require over 50% pre-commitment to trigger construction. Given the competition from North Sydney developments it is unlikely any new developments will occur in the short term. If commitment should be sourced the 28,500m^2 commercial tower would require a two year lead time for completion therefore unlikely to enter the market until 2016.

With the residential market strong at the moment there may be a push from commercial uses to residential uses where zonings permit. This market will continue to see the withdrawal and addition of refurbishment space to the market as tenancies move out or around the market. With space still available at Growthpoint’s Fox Sport occupied property at Gore Hill, it is not expected that further office property will be advanced in the Lindsay Bennelong development in the short term, however some discussion has been made regarding an additional data centre which will reduce future potential office supply in this region.

Figure 6
Net Supply, Net Absorption & Vacancy
Crows Nest/St Leonards forecast



Source: PCA/Knight Frank

Sales and Investment Activity

Late 2012 and early 2013 witnessed a number of transactions across Crows Nest/St Leonards after a long period with limited trading. These transactions brought greater clarity to the market regarding yields. The major transaction being the 50% share of Space 207, one of the landmark A grade office buildings in the region, which attracted a sale price of \$61.75 million reflecting a core market yield of 8.5%.

The average core market yield for the prime market is between 8.00% and 9.00% with an indicative rate of 8.60% while the secondary market is within the range between 9.25% and 10.00%. Looking forward it is expected there is further scope for the prime average yield to decrease over the next two years to as low as 8.15%. However secondary assets are likely to result in a slight increase in yields to average 9.75% over the short term before reducing back to current levels by mid 2015.

CHATSWOOD

Leasing Market and Rents

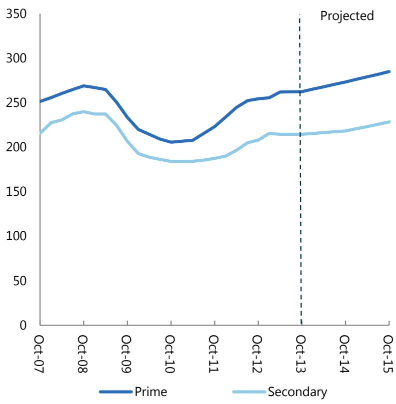
Demand for Chatswood office space has been limited over the last six months resulting in vacancy levels increasing to 9.8% in July 2013. After two and a half years of positive net absorption the market has now recorded its first negative result at -3,982m^2 for the six months to July. Sub lease vacancies and relocations are expected to continue in 2013 resulting in vacancy levels increasing to 11.2% next period. Vacancies are likely to remain around this rate over the following two years despite small supply additions and withdrawals.

This market will be strongly affected in 2016 and beyond upon Leighton's relocation to their new premises in North Sydney. A major space user in Chatswood, their space will be removed from the market for refurbishment, with limited prime grade stock; this space is likely to be absorbed albeit slowly resulting in vacancies rising as high as 15% in 2017. Factors including reduced employment growth prospects and increased competition from new North Shore stock will put further strain on this office market.

The A grade market recorded a -1,579m^2 reduction in net absorption seeing vacancy increase to 9.3% this period. This increase has dampened rental growth prospects to remain within the CPI band of 2.5% and 3.5% over the next five years. Incentives which reduced from the high 35% recorded in 2011 remain sub 30% and are expected to remain in the 28%-29% band over the next three years before rising back to 30% levels when vacancies are expected to peak.

The secondary market has also seen vacancy increase off the back of negative absorption results (-2,406m^2) in the six months to July. Vacancy of 10.3% supports the likelihood of limited face rental growth of 2.5% to 3.0% over the next three years. Incentives during this time are likely to remain firm at their current rate of just over 30%. Unfortunately for this market there will be some uncertainty in the 2017 and beyond period where face rental growth are not expected to be greater than 2.0% and incentives remain around 30%. As other accommodation options emerge across the North Shore, the moderation of rents may create opportunities for new or growing tenancies particularly in the secondary market.

Figure 7
Net Effective Rents
Prime & Secondary, Chatswood ($/m^2)

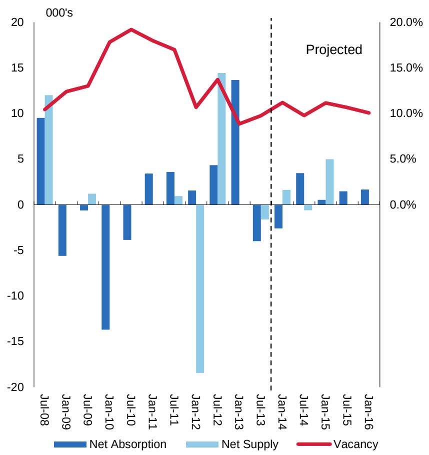


Source: Knight Frank

Development Activity

The Chatswood market has been decreasing in size over the past 15 years; development activity in this market has broadly consisted of withdrawn space undergoing refurbishment before being returned to the market six to 12 months later. Over the past six months there was a small withdrawal of stock; while the next larger refurbishment is likely to come as Cisco moves out of four floors at the Zenith Centre (approximately 4,200m^2) later this year. This is likely to be withdrawn from stock in January 2014 and re-enter the market after six months as refurbished stock. Other than this, the Mirvac Group's ERA development at 7 Railway Street includes 4,400m^2 of office space due for completion also in the first half of 2014. While this is new stock for this market, it will not offer large floor plates; rather small strata suites which have mostly been sold to owner occupiers.

Figure 8
Net Supply, Net Absorption & Vacancy
Chatswood forecast

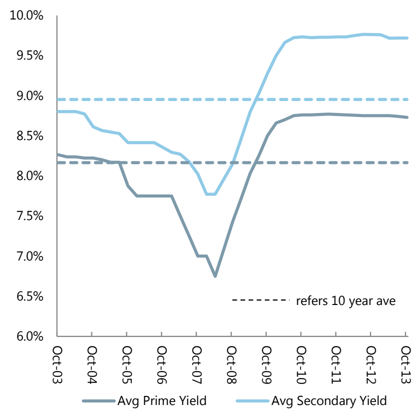


Source: PCA/Knight Frank

Sales and Investment Activity

The latest office transaction was 465 Victoria Avenue purchased by Hines Global REIT in February 2013, the first major investment transaction for over five years. The property sold for $92 million on a core market yield of 8.4%. It is estimated that average core market yields currently range from 8.50% to 9.25% (albeit with an indicative rate of 8.75%) for prime and 9.50% to 10.25% for secondary. The spread between prime and secondary continues at over 100 basis points, three times greater than results from 2004.

Figure 9
Average Core Market Yields
Chatswood



Source: Knight Frank

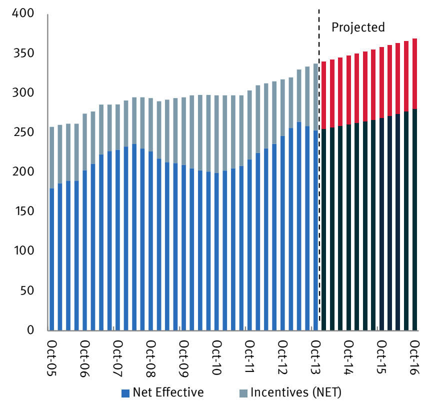
MACQUARIE PARK/ NORTH RYDE

Leasing Market and Rents

The Macquarie Park/North Ryde market has seen demand for space stall over the last six months after five years of robust take up. Vacancy levels have grown during the first half of 2013 to 7.8% due to negative net absorption of -9,078m^2 recorded. Over the next 12 months there will be some tenant movements with the relocation of Fujitsu and Canon. These tenants will be moving out of secondary accommodation into new purpose built facilities which will hinder further improvements in the vacancy situation. Sub-lease also continues to be an issue in this market particularly if the Optus sub-lease space at 22 Giffnock Avenue remains vacant into the new year.

Over the last three years growth in prime net face rents have been strong with the current rate of \$338/m^2 representing annual growth of 6.8%. However the future uncertainty in the market will result in prime net face rents showing limited growth over the next two years of between 3.0% and 3.5%. Incentives are also expected to remain at their current 25% (net) which is 500 basis points up on last year's results.

Figure 10
A-Grade Net Rents and Incentives
Macquarie Park/North Ryde (\$/m^2)



Source: Knight Frank

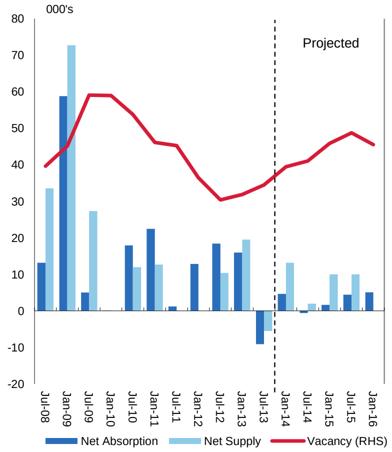
The divide between prime and secondary stock now appears to be widening, secondary rents have grown just 1.8% in the last year to \$283/m^2 while incentive levels are recorded at 30% (net). Going forward growth in face rents are not expected to be strong due to the rising vacancy expected for this sector of the market. Growth of between 2.0% and 2.5% is anticipated over the next two years while incentives are expected to remain relatively steady.

Development Activity

The Macquarie Park/North Ryde market has an abundance of supply options in various stages of planning. Properties are unlikely to be speculatively developed which will keep a cap on prime vacancy levels. Recently completed is the Optus committed 22 Giffnock Avenue, the commercial building of 9,786m^2 is on the market as sub-lease space. The Fujitsu committed (80%) development owned by Goodman at 112-118 Talavera Road, (12,000m^2) is expected to be completed during the first half of 2014. While a further 10,000m^2 will be completed in this same time period at 5 Talavera Road; the property is 85% committed to Canon. While most of this supply is strongly committed we expect that vacancy rates will average 8.8% over the next year due to this sub-lease stock despite the removal of secondary stock for refurbishment. Upon the re-entry of ex Fujitsu and Canon refurbished stock, vacancy levels are expected to jump to 10.4% and could increase further if new stock is advanced.

While no future supply beyond these projects have yet to be ear marked; those anticipated to be advanced first are 8 Khartoum Road (10,800m^2) and M Central Stage 1 (11,405m^2) while other projects such as Stockland's 39 Delhi Road (30,000m^2) and ISPT's Epicentre at Riverside (Lot 8 Julius Avenue) of approximately 34,000m^2 are expected to be slow to get underway. Furthermore, the increased residential activity in this region could result in some projects moving to an alternate use.

Figure 11
Net Supply, Net Absorption & Vacancy
Macquarie Park/ North Ryde forecast



Source: PCA/Knight Frank

Sales and Investment Activity

There has been an increase in investment activity over the last few months, the most recent sale being the Global Business Park, 63-71 Delhi Road, sold by Goodman to a Chinese developer for \$73 million. The property had DA Approval for a four building commercial development (32,000m^2) and is now expected to be developed into approximately 800 residential apartments (subject to zoning approval).

Commercial asset, 78 Waterloo Road was sold by Stockland for \$71.80 million, CorVal purchased the 10 storey, A grade building which had a WALE of 5.6 years on a core market yield of 8.0%. DEXUS have sold their property at 40-52 Talavera Road in August to Altis Property Group. The secondary asset was sold for \$28.2 million, representing a core market yield of 11.2%. Prime yields across the Macquarie Park/North Ryde market range between 8.00% and 8.50%, the average showing a 13 basis point decline over the past year while the secondary averages remain stable at 9.50% within the 9.00% and 10.00% range.

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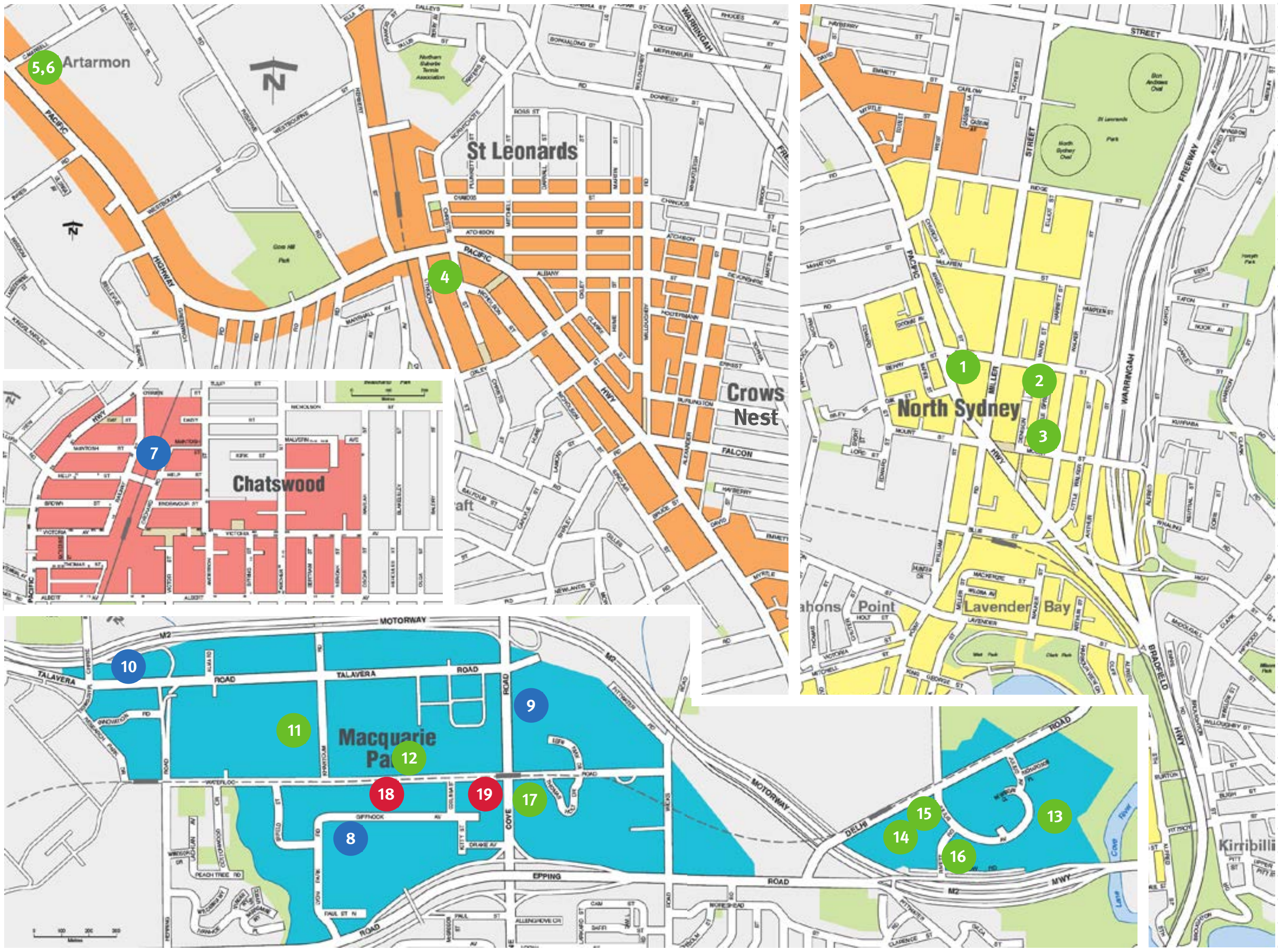
MAJOR OFFICE SUPPLY



Source of Map: Knight Frank

North Sydney

1. 177-199 Pacific Hwy - 39,114m^2 [Leightons]
Suntec REIT Q2 2016 - 76% committed
2. 1 Denison Street - 45,270m^2
Eastmark Holdings 2016+
3. 100 Mount St - 40,100m^2
Laing O'Rourke (Mirvac MoU) 2016+

Crows Nest/St Leonards

4. 88 Christie St, St Leonards - 28,500m^2
Winten Property Group 2016+
5. Gore Hill Building D1 - 13,350m^2
Lindsay Bennelong Development 2017+
6. Gore Hill Building D2 - 11,150m^2
Lindsay Bennelong Development 2017+

Chatswood

7. 7 Railway St - 4,900m^2
Mirvac Q2 2014

Macquarie Park/North Ryde

8. 22 Giffnock Ave - 9,786m^2 [Optus*]
Goodman Completed - 100% committed
9. 5 Talavera Rd - 10,000m^2 [Canon]
Goodman Q1 2014 - 85% committed
10. 112 Talavera Rd - 12,000m^2 [Fujitsu]
Goodman Q2 2014 - 80% committed
11. 8 Khartoum Rd - 10,800m^2
Goodman 2015+
12. M Central, 63-71 Waterloo Rd - 11,405m^2
Capital Corporation 2016+
13. Epicentre at Riverside, Julius Ave - 34,000m^2
ISPT 2017+
14. ^27-37 Delhi Rd - 32,000m^2 (4 bldgs)
Goodman/Country Garden# 2017+
15. 39 Delhi Rd - 30,000m^2
Stockland 2017+
16. 1 Rivett Rd (Stage 2) - 11,380m^2
Pathway Property 2017+
17. 271 Lane Cove Rd - 22.000m^2
Mirvac 2018+
18. 52-58 Waterloo Rd - 10,000m^2
Marshall Property 2016+
19. 396 Lane Cove Rd - 79,736m^2
Winten and Australand 2017+

Under Construction/Complete (blue)

DA Approved/Confirmed/Site Works (green)

Mooted / Early Feasibility (red)

NB. Dates are Knight Frank Research estimates
Office NLA quoted, Major tenant precommitment in [brackets]
In Due Diligence ^ residential redevelopment potential
* currently seeking sub-lease tenant

RECENT TRANSACTIONS

Table 2
Recent Leasing Activity North Shore

Address	Region	Area (m^2)	Face Rental ($/$m^2$)	Term (yrs)	Lease Type	Tenant	Start Date
177 Pacific Highway	North Sydney	29,628	675 (n)	12/7±	Pre commitment	Leighton Holdings	Mid-16
L 7, 76 Berry Street	North Sydney	1,056	540 (n)	5	New	Akamai Technologies	Oct-13
L 1-2, 40 Mount Street	North Sydney	2,752	528 (n)	10	New	Meat & Livestock	Aug-13
L 5-10, 20 Berry Street	North Sydney	4,578	480 (g)	10	New	SMEC	Aug-13
L 1, 181 Miller Street	North Sydney	845	520 (g)	5	New	TNS	Aug-13
L 8, 60 Miller Street	North Sydney	1,173	600 (n)	4	Sub lease	Terradata	Jun-13
L 4, 655 Pacific Hwy	St Leonards	475	485 (n)	5	New	Artis	Aug-13
L 6, 29 Christie Street	St Leonards	1,800	442 (n)	6	New	Rockend	Jul-13
Grd, 29 Christie Street	St Leonards	1,815	380 (n)	6	Renewal/Expansion	ARU	Jul-13
118 Talavera Road	North Ryde	~9,500	385 (n)	10	Pre comm	Fujitsu	Q2-14
5 Talavera Road	North Ryde	~10,000	360 (n)	10	Pre comm	Canon	Q2-14
22 Giffnock Avenue	Macquarie Park	9,786	355 (n)	10	Pre comm	Optus	Nov-13

Table 3
Recent Sales Activity North Shore

Address	Price ($ mil)	Core Market Yield (%)	NLA (m^2)	$/$m^2$ NLA	WALE (Years)	Vendor	Purchaser	Sale Date
177 Pacific Highway, North Sydney	413.19	6.9#	39,144	10,556	10+	Leighton Properties	Suntec REIT	Nov-13
99 Walker Street, North Sydney	124.90	8.2	17,343	7,202	4.2	GE Real Estate Investments Aust	Investa Office Fund	Jun-13
146 Arthur Street, North Sydney	50.50	8.8	8,162	6,187	2.8	Investa Commercial Property Fund	General Nice Development Ltd	Jun-13
53 Berry Street, North Sydney	19.75	9.2	3,491	5,657	2.8	Charter Hall Diversified Fund	Property Bank Australia	Apr-13
140 Arthur Street, North Sydney	39.096	9.4	8,374	4,669	3.4	AMP Capital Investors Limited	CorVal Partners	Dec-12
110-112 Christie Street, St Leonards	8.675	9.4	1,608	5,395	3.8	Abroclown	Property Bank Australia	May-13
Space 207, 207 Pacific Highway, St Leonards	61.75*	8.5	19,943	6,193	3.2	Eureka Core Property Fund 1	Primewest	Mar-13
The Clemenger Bldg, 118-120 Pacific Highway, St Leonards	24.20	9.3	5,131	4,717	5.2	Stockland	Private Investor	Dec-12
100 Christie Street, St Leonards	42.00	10.7	9,994	4,202	3.4	LIF	Altis Property	Dec-12
465 Victoria Avenue, Chatswood	92.00	8.4	15,825	5,814	6.5	FKP Property Trust	Hines Global REIT	Feb-13
^Global Business Park Site, 27-37 Delhi Road, North Ryde	73.00	Dev	Land 17,610	$/area 4,145	N/A	Goodman	Country Garden	Oct-13
78 Waterloo Road, Macquarie Park	71.80	8.0	14,983	4,792	5.6	Stockland	CorVal Partners	Sep-13
40-52 Talavera Road, Macquarie Park	28.20	11.2	13,281 (GLA)	2,123 (GLA)	2.5	DEXUS Property Group	Altis Property	Aug-13
37 Epping Road, Macquarie Park	17.35	12.0=	8,010	2,166	2.8	Oakland Property Holdings	Abacus Property Fund	Mar-13
144 Wicks Road, Macquarie Park	27.85	Dev	Land 5.24ha	$/area 470	N/A	DEXUS Property Group	Hydrox Nominees Pty Ltd (Masters)	Feb-13

Source: Knight Frank n refers net g refers gross U/D refers undisclosed ~ approximate ±Leighton lease term 12 years for levels 1-15, 7 year term levels 16-24
^ reported # initial yield * 50% interest = 8.8% initial yield Dev Development Site

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