RESEARCH

JUNE 2014

NORTH SHORE

Office Market Overview

HIGHLIGHTS

- The substantial capital being invested into the North Shore market is continuing in 2014, with calendar YTD sales (North Shore and North Ryde) measuring $613 million, which follows the extremely strong $1.72 billion recorded in 2013. Since the beginning of 2013, offshore investors and unlisted wholesale funds have accounted for 45% and 36% of total sales respectively.
- Although there remains considerable demand for prime assets, the majority of activity has occurred amongst B-grade assets. This has resulted in yield compression being recorded across both prime and secondary grade assets with each of the regions recording approximately 50bps of firming in the 12 months to April 2014. In the case of St Leonards and Chatswood, firming has been even more pronounced in the secondary market given competitive pressures from both offshore buyers and investors looking at assets with re-development potential.
- Although construction has commenced at 177 Pacific Highway, North Sydney and several DA approved projects are currently being marketed, material levels of new supply are not expected to reach completion until 2016. This is expected to see a steady downtrend in the vacancy rate through to the end of 2015, a trend that will be further enhanced by withdrawals for change of use re-development.
- Tenant demand continues to remain below average, although some preliminary signs of improvement are starting to emerge with sub-lease space starting to reduce in North Sydney. Coupled with recent growth in the labour market, 2014 is anticipated to record positive net absorption after the negative result in 2013.

NORTH SHORE OFFICE OVERVIEW

Table 1
North Shore/North Ryde Office Market Indicators as at April 2014

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	5.1	-816	628	120	27.0*	6.75 - 7.50
North Sydney	Secondary	625,809	12.4	-33,804	504	115	29.6*	8.00 - 8.75
North Sydney	**Total Market**	**848,605**	**10.5**	**-34,620**	**537**	**115**	**28.9***	**6.75 - 8.75**
Crows Nest/St Leonards	Prime	102,699	16.6	-4,811	466	108	29.5*	7.75 - 8.50
Crows Nest/St Leonards	Secondary	254,634	13.3	-13,030	399	97	30.0*	8.50 - 9.00
Crows Nest/St Leonards	**Total Market**	**357,333**	**14.3**	**-17,841**	**418**	**100**	**29.9***	**7.75 - 9.00**
Chatswood	Prime	157,412	15.6	-10,058	429	112	28.5*	8.00 - 8.75
Chatswood	Secondary	123,433	10.8	-2,931	351	95	30.5*	8.75 - 9.50
Chatswood	**Total Market**	**280,845**	**13.5**	**-12,989**	**395**	**105**	**29.4***	**8.00 - 9.50**
North Shore	**Total Market**	**1,486,783**	**12.0**	**-65,450**	**481**	**109**	**29.2***	**6.75 - 9.50**
North Ryde/Macquarie Park	Prime	589,721	8.1	-12,979	340	80	27.5‡	7.50 - 8.00
North Ryde/Macquarie Park	Secondary	264,530	12.5	7,959	283	95	30.0‡	9.00 - 9.50
North Ryde/Macquarie Park	**Total Market**	**854,251**	**9.5**	**-5,020**	**322**	**92**	**28.3‡**	**7.50 - 9.50**

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 January 2014 *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

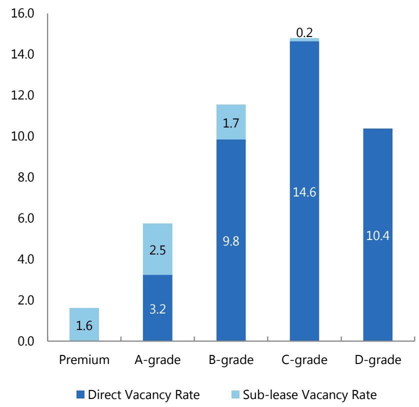
Leasing Market and Rents

Leasing demand in North Sydney has been relatively subdued over the past two years with both 2012 and 2013 recording negative net absorption. Although this has resulted in a lack of momentum being carried into 2014 and below average year to date leasing volumes, there are emerging signs of improvement in the market. Sub-lease space, which measured 12,871m^2 or 1.5% of stock as at January 2014 has reduced by approximately half, while anecdotal feedback from leasing agents indicates firmer levels of enquiry. This is consistent with the relatively encouraging state labour figures that show employment growth of 1.4% in the first four months of the year, with 75% of new jobs being full-time positions.

The January 2014 vacancy rate measured 10.5%, notwithstanding a relatively tighter prime market at 5.1%. Almost half of the prime vacancy was accounted for by sub-lease space. However, after two years of increases, the North Sydney vacancy rate is anticipated to be entering a period of contraction. This outlook is underpinned by no new supply due to be added to the market in either 2014 or 2015. Further ahead in 2016, the impact on vacancy from the completion of 177 Pacific Highway looks relatively limited given the backfill from the Leighton 76% pre-commitment will be predominantly concentrated in the Chatswood market.

Although some tenant outflow to the CBD in 2014 is imminent, this is expected to be offset by stock withdrawals driven by change of use re-development (predominantly residential, refer Development Activity, page 3). Tenant outflow includes Symantec (vacating 4,962m^2) and Havas Worldwide (2,347m^2). In a positive for the market, Jemena and Sony are rumoured to be looking to relocate into the North Sydney market. Both relocations would add directly to positive absorption if eventuated.

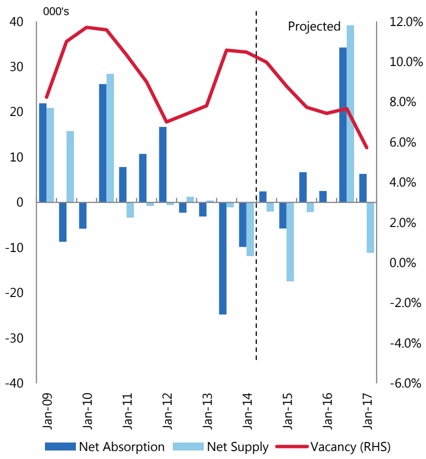
Figure 1
Vacancy by Quality Grade
North Sydney, January 2014 (% vacant)



Source: PCA

Despite challenging leasing conditions, rental growth has remained positive over the past year, with prime net face rents increasing 3.3% to $628/m². However with prime gross incentives at 27.0%, effective net rents have only just managed to recover the falls experienced in early 2013 to now measure $427/m² (refer Figure 3). Secondary net face rents have recorded similar annual growth, increasing 3.1% to measure $504/m² as at April, albeit with the majority of growth occurring in upper B-grade assets. Currently secondary gross incentives are slightly higher than prime at 29.6%.

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



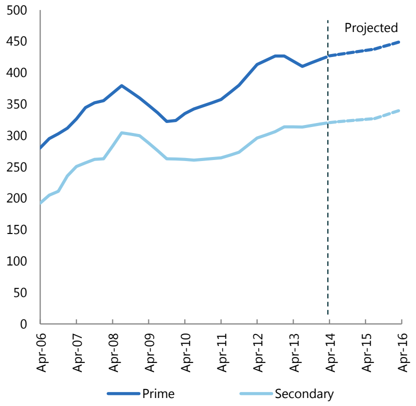
Source: PCA/Knight Frank

The improved momentum in the jobs market and a gradual lift in the economic growth rate into 2015 are expected to sustain current levels of rental growth for the next three years, during which time prime and secondary face rental growth of 3.1% and 2.8% per annum respectively is anticipated. Incentives are likely to remain relatively steady for the next few years although there is the potential for some supply induced upward pressure in 2016 and 2017.

Development Activity

The commencement of construction at 177 Pacific Highway sees the first major new development in North Sydney since the completion of 40 Mount Street in 2010. The progression of the project is a positive outcome for the North Sydney market, where the low proportion of prime stock (26% of total) has resulted in a lack of quality leasing options for many tenants. Supply is expected to be further supplemented by DA approved projects at 100 Mount Street (40,100m²) and 1 Denison Street (45,270m²). Neither project is yet to commence, however pre-commitments are actively being sought with potential completion from 2017 onward.

Figure 3
Average Net Effective Rents
Prime & Secondary, North Sydney ($/m²)



Source: Knight Frank

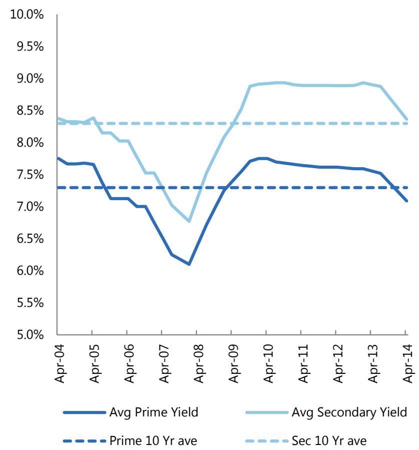
The strong level of offshore interest in residential development opportunities has already seen a number of commercial office buildings withdrawn from the stock count during the past two years. Further withdrawals are anticipated. Supply forecasts currently include 24,396m² of office buildings to be withdrawn from the stock count during the next two years with a further 28,707m² of buildings earmarked for conversion beyond 2015. There is the potential for these figures to increase as further assets are sold for change of use purposes. It is noted that the withdrawals for conversion are occurring in fringe locations with the integrity of the core North Sydney CBD remaining intact.

Sales and Investment Activity

Since mid-2013, the North Sydney market has been experiencing a strong inflow of investment capital. So far in FY2014, commercial sales ($10m+) amount to $1,251 million, which is more than the previous five financial years combined. Offshore investors have grown increasingly active in non-CBD markets and while the Suntec REIT acquisition of 177 Pacific Highway ($413.19 million) shows the strong demand for upper prime assets with long lease duration, a number of secondary assets have also sold. In many cases these have been driven by redevelopment/change of use potential, such as the Bridgehill acquisition of 52 Alfred Street for $80 million. Foreign capital has also underpinned some assets acquired by unlisted funds including 100 Miller Street and 168 Walker Street (albeit the latter potentially being a residential conversion redevelopment once leases have expired).

The strong demand from buyers has resulted in considerable firming in average yields for both prime and secondary grades. Prime yields are estimated to range between 6.75% and 7.50%, which represents 46bps of firming over the past year. As a result, the prime yield spread between North Sydney and the CBD has returned to the 10 year average of 80bps, after the spread had widened in 2013 when the CBD market led the firming cycle. The firming in prime yields has also seen the average yield move below the 10 year average (refer Figure 4). The high sales volumes of B-grade assets has seen secondary tightening of 54bps over the past year with average core market yields currently ranging from 8.00% to 8.75%. While this range is in-line with the secondary 10 year average, it is noted that market sentiment suggests some firming in excess of the aforementioned range.

Figure 4
Average Core Market Yields
North Sydney



Source: Knight Frank

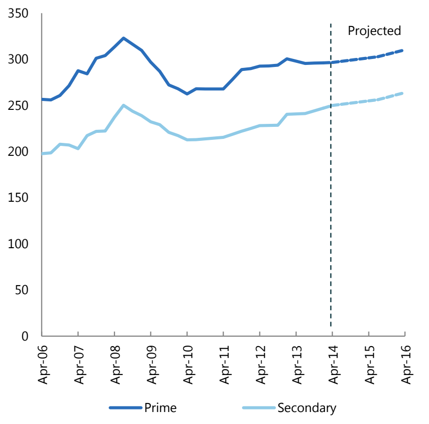
CROWS NEST/ST LEONARDS

Leasing Market and Rents

Occupied space in the Crows Nest/St Leonards market declined by 17,841m² in 2013 resulting in a rise in the vacancy rate from 12.0% to 14.3% in the 12 months to January. This lack of demand has translated into prime rents tracking sideways for the past year with net face rents remaining unchanged at $466/m². Prime gross incentives currently average 29.5%, the same level they have broadly measured for the past year. With enquiry levels still remaining soft, prime rental growth is likely to remain relatively subdued over the balance of the year with growth forecast to average a sub-CPI 2% over the next two years with incentives holding steady.

Although the majority of negative net absorption in 2013 was experienced in the secondary part of the market, secondary annual rental growth in the year to April 2014 has surprisingly been positive, increasing 3.0% to average $399/m² on a net face basis with incentives holding steady at 30%. Driving the secondary result was the relatively higher levels of tenant turnover amongst smaller tenants, while the secondary market (compared to prime) has been less affected by leasing competition from the rise in North Sydney vacancy.

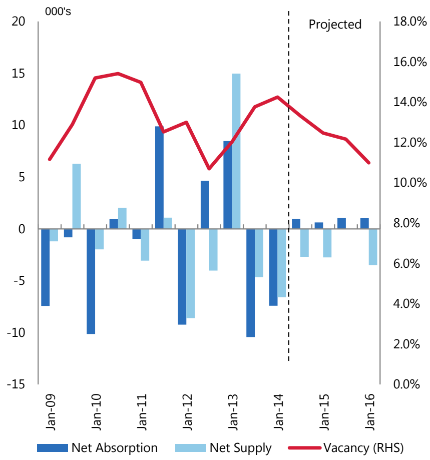
Figure 5
Net Effective Rents
Prime & Secondary, Crows Nest/St Leonards ($/m²)



Source: Knight Frank

The January 2014 vacancy rate is anticipated to be the peak in the current cycle given the absence of forthcoming supply and a number of buildings earmarked for withdrawal and conversion to residential. As a result, the vacancy rate is forecast to trend down from the current level of 13.9% to around 11.0% by the end of 2015. There is the potential for up to 10 buildings with residential conversion approval that could be withdrawn over 2014 and 2015. However given the majority consist of relatively small, secondary buildings, the total NLA of these assets only amounts to approximately 16,000m². There is also the potential 100 Christie Street (10,040m²) be withdrawn from the market in 2016 for a hotel/residential conversion, for which it has DA approval.

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



Source: PCA/Knight Frank

Development Activity

The only 2014 supply to the market is the ex. IBM space at 601 Pacific Highway where five floors amounting to approximately 5,000m² have been refurbished. Beyond this, however, the supply pipeline is considerably benign with no new supply expected to be added to the market until at least late 2016. Given the competition from North Sydney developments it is unlikely any new developments will occur in the short term.

Potential supply stems from the DA approved site at 88 Christie Street (28,500m²), which is yet to achieve any pre-lease tenants and will require over 50% pre-commitment to trigger construction. It has also been rumoured that the asset could instead be converted to a new residential building. There remains several DA approved sites at the Gore Hill Technology Park although it is understood that progression as office space is unlikely in the short term.

Sales and Investment Activity

There remains strong momentum in the sales market, with a number of transactions being recorded in the first half of 2014. Unlisted funds have been the predominant buyer group, however the acquisition of 110 Pacific Highway by Crown Castle International for $16.5 million has been an example of owner occupier demand. The largest deal has been Australasian Property Investments and the Wingate Group entering into an agreement to acquire 29-57 Christie Street, St Leonards for $96.4 million. Although the deal remains subject to an equity raising, the parameters reflect a core yield of 8.5%, while the price also reflects some development upside given the additional NLA permissible under FSR regulations.

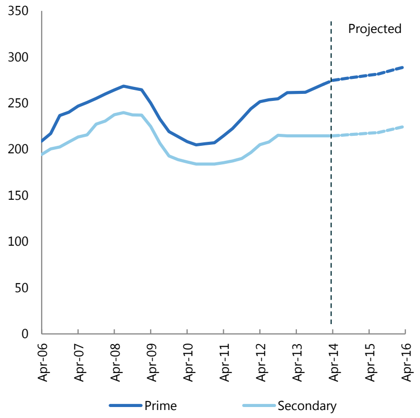
With strong sales momentum and material yield compression moving into non-CBD locations, Crows Nest/St Leonards core market yields have firmed notably over the past 12 months. On average prime yields range between 7.75% and 8.50% and between 8.50% and 9.0% for secondary. Over the past year these ranges are indicative of circa 40bps of firming for prime. However, secondary firming has been more pronounced with factors such as development upside or owner occupation underpinning the compression. As a result, secondary yields are now circa 15bps below their 10 year average, while prime yields are still 25bps above the 10 year average.

CHATSWOOD

Leasing Market and Rents

As at January 2014, the Chatswood vacancy rate had increased to 13.5% compared with 8.9% a year earlier. The increase stemmed from a fall in tenant demand with net absorption over the 2013 calendar year measuring a negative 12,989m². Although tenant demand still remains inconsistent, net absorption is expected to turn positive in 2014 as a result of several new deals. These include positive outcomes at Zenith, where Lend Lease and Government Property NSW have both taken expansion space of 3,120m² and 2,116m² respectively.

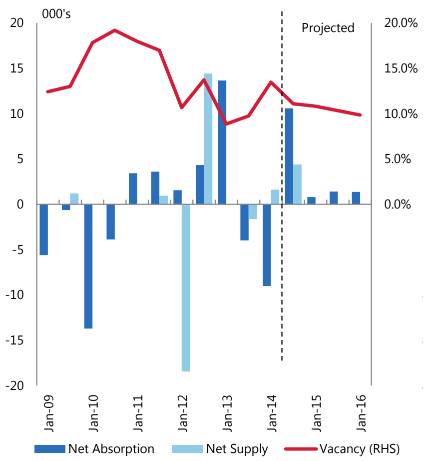
Figure 7
Net Effective Rents
Prime & Secondary, Chatswood ($/m²)



Source: Knight Frank

With approximately half of the scheduled new supply due in the current half at 7 Railway Street being committed, the aforementioned deals are anticipated to see the vacancy rate show a material reduction in 2014 to sub 11%. Over the balance of 2014 and 2015, the vacancy rate is expected to continue trending down moderately given no new supply is expected during this period. There is a considerable amount of backfill space due to impact the market in 2016 when Leighton relocate to their new premises in North Sydney. The backfill space, estimated to measure approximately 17,000m², will result in a vacancy rise should a new tenant not be sourced in the interim.

Figure 8
Net Supply, Net Absorption & Vacancy
Chatswood forecast



Source: PCA/Knight Frank

Although somewhat at odds with the rise in the vacancy rate, prime face rental growth in Chatswood increased 3.5% in the year to April 2014, a rate in line with the average growth rate since the beginning of 2011. Prime net face rents currently average $429/m² with gross incentives at 28.5%. However rental growth has not been sustained in the secondary market with net rents remaining unchanged over the past year at an average rate of $351/m². Secondary gross incentives have held steady at 30.5%. Rental growth is expected the track CPI over the next two years, however incentives are likely to remain elevated until further clarity about the Leighton backfill emerges.

Development Activity

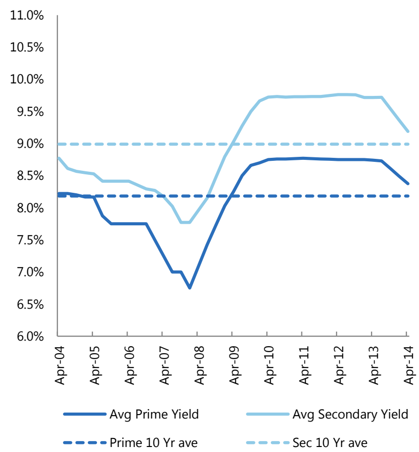
Mirvac Group's ERA development at 7 Railway Street has now reached completion and includes 4,400m² of office space. The space predominantly comprises small strata suites, which have mostly been sold to owner occupiers. Beyond, this however, there are no commercial projects in the pipeline for the Chatswood market with any supply likely to consist of refurbishments stemming from tenant turnover.

Sales and Investment Activity

Recent sales in the Chatswood market have been supported by robust demand from offshore investors. After the major transaction of 465 Victoria Avenue in early 2013, which was purchased by Hines Global REIT for $88.7 million, 10 Help Street, 1 Spring Street and 13 Spring Street have also sold to offshore parties, both Hong Kong privates. 10 Help Street, a B-grade asset, sold at auction for $25.06 million with the sale reflecting a relatively tight core market yield of 8.0%, given the property was subject to a 1.3 year WALE. 1 and 13 Spring Street sold for $13.0 million, and $17.25 million respectively, however it is noted the purchaser already owned several adjoining properties, which provides medium term development potential. More recently, domestic fund CorVal have acquired 67 Albert Avenue for $81.64million with the sale being the first A-grade transaction since 465 Victoria Avenue.

Relatively strong yield compression has been recorded over the past year with prime core market yields firming 37bps to range from between 8.0% to 8.75%. Sales activity in the secondary market has resulted in the secondary market tightening by 53bps in the 12 months to April 2014 to range on average from 8.75% to 9.5%.

Figure 9
Average Core Market Yields
Chatswood



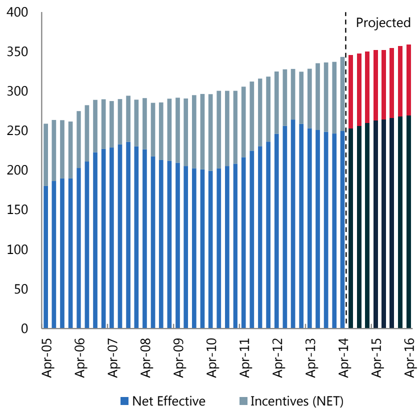
Source: Knight Frank

MACQUARIE PARK/ NORTH RYDE

Leasing Market and Rents

Recent leasing demand in the Macquarie Park/North Ryde market has been subdued with negative net absorption of 5,020m² recorded in 2013. As a result, the vacancy rate as at January had increased to 9.5%. Prime vacancy was slightly less, at 8.1%. Backfill space stemming from the Canon and Fujitsu developments is anticipated to see the vacancy rate increase to around 12% by the end of 2014. There is some current market speculation that the backfill space will be partially absorbed by external tenants, although this is not included in the base case forecast in Figure 11. A subsequent pause in new supply during 2015 should see the vacancy rate start to stabilise.

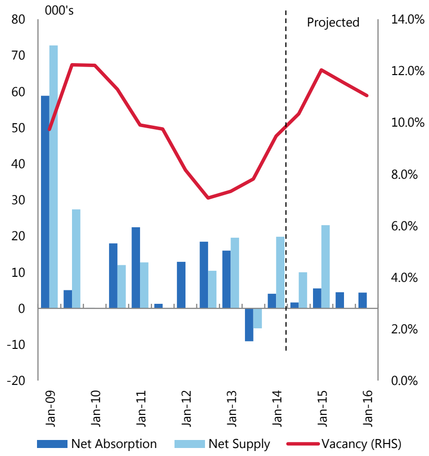
Figure 10
A-Grade Net Rents and Incentives
Macquarie Park/North Ryde ($/m²)



Source: Knight Frank

The rate of face rental growth has decelerated over the past year, with prime net face rents increasing 1.9% in the year to April to $340/m². However, on an effective basis, prime rents have contracted by 4.7% due to net incentives increasing to 27.5% compared with 22.5% a year earlier. No change has been recorded for secondary grade rents, with net face rents and net incentives both holding steady at $283/m² and 30% respectively. Rental growth in the market over the next two years is likely to remain relatively modest due to higher vacancy levels. Face growth of between 2.0% and 2.5% is anticipated for prime over the next two years, while lower growth for secondary is likely given pressure from backfill space.

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



Source: PCA/Knight Frank

Development Activity

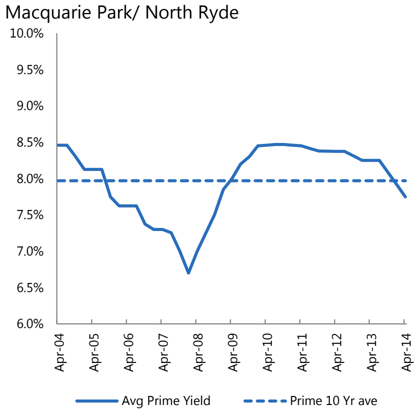
New supply in the first half of 2014 comprises two Goodman developments at 5 Talavera Road (10,000m², 85% committed to Canon) and 112 Talavera Road (12,000m², 80% committed to Fujitsu). Subsequently, a two year absence in new supply is anticipated until the new facilities for Novartis Pharmaceuticals at 52-58 Waterloo Road are completed in early 2016, with the group consolidating existing offices in Macquarie Park, Frenchs Forest, Pyrmont, and Melbourne into one location. AstraZeneca have also negotiated a new purpose-built 3,000m² office facility for completion in 2016. Beyond this, the pipeline consists of a large number of potential development sites, six of which have DA approval (refer Development Map). However timing remains uncertain given it is unlikely for any projects to progress without a sufficient pre-commitment.

Sales and Investment Activity

The second half of 2013 saw the first major A-grade commercial office freehold sale in North Ryde for six years when 78 Waterloo Road was sold by Stockland to CorVal for $71.80 million. The proceeds were used by Stockland to increase their ownership in the Optus Centre at 1 Lyonpark Road from 31% to 51% for $75.0 million (from UniSuper). At the same time AIMS AMP Capital Industrial REIT purchased a 49% interest in the same asset for $184.4 million from Stockland Direct Office Trust No.2. Although the bulk of demand for development site sales is related to residential opportunities, Holdmark Developers acquired 66-82 Talavera Road in January for a reported $32 million. The 3.8ha site was sold by AstraZeneca, who sold as owner occupier with a lease back on one of the office buildings and an arrangement to lease 3,000m² in a new office building to be built on the site by 2016.

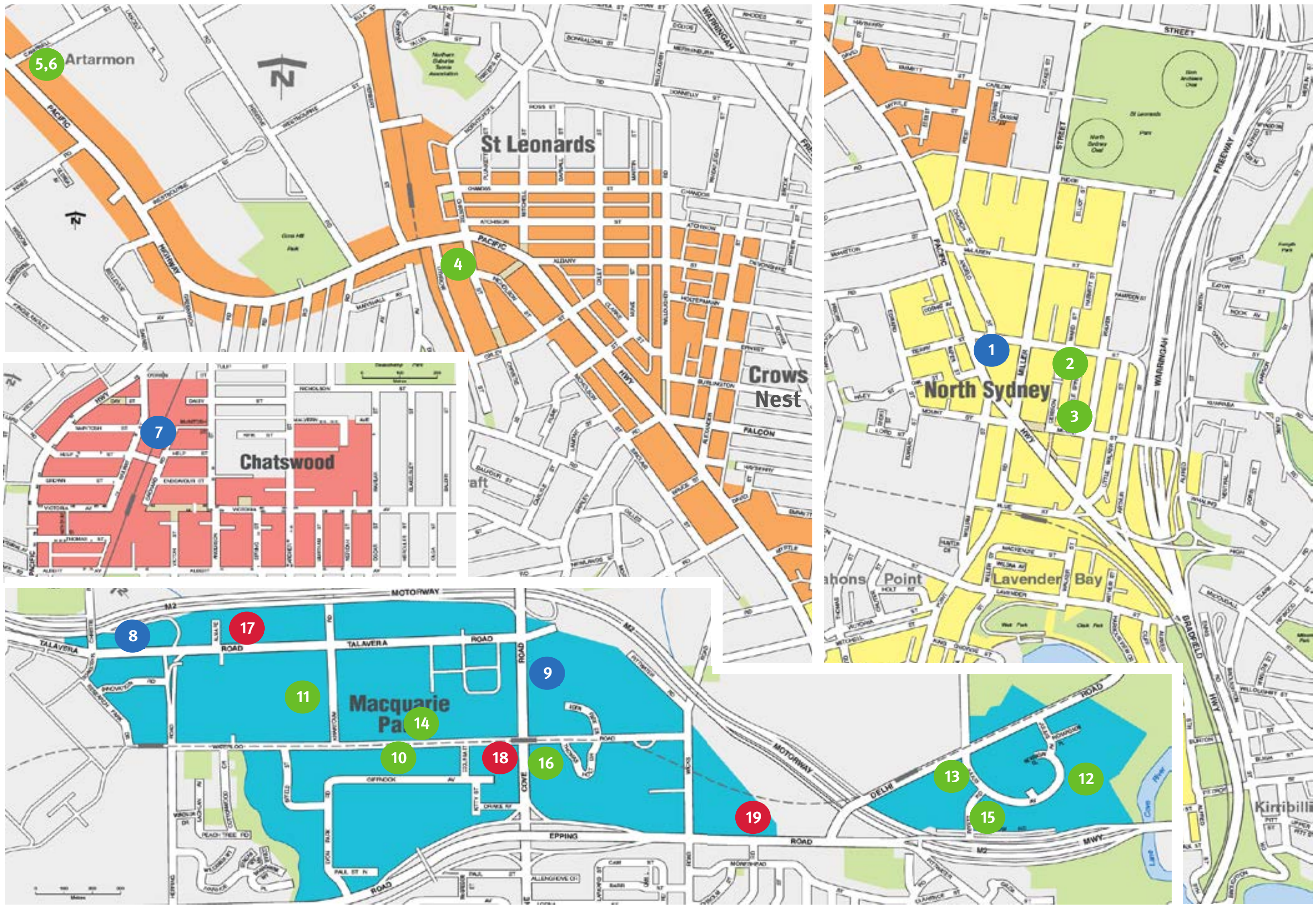
The strong yield compression recorded during the last six months has resulted in average prime yields ranging between 7.5% and 8.00%. This range is below the 10 year average. In the secondary market, better pricing clarity has resulted in firming in the upper end of the yield range with yields averaging between 9.00% and 9.50%.

Figure 12
Average Prime Core Market Yields
Macquarie Park/ North Ryde



Source: Knight Frank

MAJOR OFFICE SUPPLY



Source of Map: Knight Frank

North Sydney

1. 177-199 Pacific Hwy - 39,114m² [Leightons]
   Suntec REIT Q2 2016 - 76% committed
2. 1 Denison St - 45,270m²
   Eastmark Holdings 2017+
3. 100 Mount St - 40,100m²
   Laing O'Rourke (Mirvac MoU) 2017+

Crows Nest/St Leonards

4. 88 Christie St, St Leonards - 28,500m²
   Winten Property Group 2017+
5. Gore Hill Building D1 - 13,350m²
   Lindsay Bennelong Development 2017+
6. Gore Hill Building D2 - 11,150m²
   Lindsay Bennelong Development 2017+

Chatswood

7. ERA, 7 Railway St - 4,400m²
   Mirvac Q2 2014 - ~75% committed

Macquarie Park/North Ryde

8. 112 Talavera Rd - 12,000m² [Fujitsu]
   Goodman Q2 2014 - 80% committed
9. 5 Talavera Rd - 10,000m² [Canon]
   Goodman Q2 2014 - 85% committed
10. 52-58 Waterloo Rd - 10,000m² [Novartis]
    Marprop early 2016 - 100% committed
11. 8 Khartoum Rd - 10,800m²
    Goodman 2016+
12. Epicentre at Riverside, Julius Ave - 34,000m²
    ISPT 2017+
13. 39 Delhi Rd - 30,000m²
    Stockland 2017+
14. M Central, 63-71 Waterloo Rd - 11,405m²
    Capital Corporation 2017+
15. 1 Rivett Rd (Stage 2) - 11,380m²
    Pathway Property 2017+
16. 271 Lane Cove Rd - 22,000m²
    Mirvac 2018+
17. 66 Talavera Rd - ~3,000m² [AstraZeneca]
    Holdmark Developers 2016
18. 396 Lane Cove Rd - 79,736m²
    Winten and Australand 2017+
19. 29-35 Epping Rd - ~14,500m²
    Harvey Norman Holdings 2018+

- Blue: Under Construction/Complete
- Green: DA Approved/Confirmed/Site Works
- Red: Mooted / Early Feasibility

NB. Dates are Knight Frank Research estimates
Office NLA quoted, Major tenant precommitment
in [brackets]

RECENT TRANSACTIONS

Table 2
Recent Leasing Activity North Shore and North Ryde/Macquarie Park

Address	Region	Area (m²)	Face Rental ($/m²)	Term (yrs)	Lease Type	Tenant	Start Date
41 McLaren St	North Sydney	645	440 (n)	5	New	Cockram Construction	Aug-14
54 Miller St	North Sydney	550	529 (g)	4	New	Simavita	May-14
141 Walker St	North Sydney	668	720 (n)	5	New	New Forests	Mar-14
100 Pacific Hwy	North Sydney	1,273	600 (n)	5	New	NetApp	Feb-14
1 Pacific Hwy	North Sydney	770	762 (g)	5	New	Vocation Australia	Feb-14
101 Miller St	North Sydney	985	766 (n)	5	Renewal	Servcorp	Jan-14
207 Pacific Hwy	St Leonards	782	615 (g)	10	New	Wood & Grieve	Mar-14
821-841 Pacific Hwy	Chatswood	3,120	425 (n)	U/D	New*	Lend Lease	Mar-14
799 Pacific Hwy	Chatswood	529	539 (g)	5	New	Bisley and Co.	Mar-14
821-841 Pacific Hwy	Chatswood	2,116	394 (n)	5	New*	Government Prop. NSW	Feb-14
66 Waterloo Rd	Macquarie Park	5,720	337 (n)	6 & 10	New	Citrix	Jul-14
82 Waterloo Rd	Macquarie Park	538	310 (n)	5	New	Emmaus Bible College	Jul-14
4 Talavera Rd	Macquarie Park	1,100	270 (n)	7	New	Marquet Australia	Mar-14

Table 3
Recent Sales Activity North Shore and North Ryde/Macquarie Park

Address	Region	Price ($ mil)	Core Market Yield (%)	NLA (m²)	$/m² NLA	WALE (Years)	Vendor	Purchaser	Sale Date
15 Blue Street	Nth Sydney	90.00	c.9.0≥	15,880	5,668	2.8	Brookfield Australia Property Trust	Denwol Group	May-14
50 Miller St	Nth Sydney	60.00	c. 8.80	10,357	5,793	3.8	Abacus Miller Street Fund	Sumner Capital	May-14#
88 Walker St	Nth Sydney	12.50	Dev‡	3,064	4,080	N/A	Eastmark Holdings	Offshore Developer	May-14
168 Walker St^	Nth Sydney	83.75	9.00	17,560	4,783	3.4	Commonwealth Bank Group Super	Anton Capital	Jan-14
52 Alfred St^	Milsons Point	80.00	N/A	9,910	8,073	N/A	Leda Holdings	Bridgehill Group	Jan-14
100 Miller St	Nth Sydney	278.69	7.90	32,034	7,787	3.0	Tower Holdings	Cromwell Partners Trust	Dec-13
99 Mount St	Nth Sydney	45.50	8.50	10,851	4,193	3.1	Heathley Keystone Property Fund No 28	Ho Wye Tong	Dec-13
29 Christie St	St Leonards	96.40†	8.50	18,081	5,332	4.3	Charter Hall Office Trust	APIL & Wingate†	Apr-14
33 Herbert St	St Leonards	24.00	9.80	6,130	3,915	2.4	AMP (PIF)	Altis Property Partners	Feb-14
110 Pacific Hwy	St Leonards	16.50	8.70	3,360	4,913	1.8	Centuria Capital Ltd	Crown Castle Int'l≈	Feb-14
8 Herbert St	St Leonards	38.50	9.80ˇ	10,556	3,647	U/D	JGRT Holdings Pty Ltd	Australian Unity (HPL)	Nov-13
67 Albert Ave	Chatswood	81.64	8.00ˇ	15,048	5,425	2.9	Eureka Core Prop. Fund 3	CorVal	May-14
13 Spring St	Chatswood	17.25	U/D	3,909	4,413	U/D	Heathley DPF	Hinglong	Apr-14
10 Help St	Chatswood	25.06	8.00	7,369	3,401	1.3	Ray Shine Investments	CKK (Hong Kong)	Dec-13
1 Spring St	Chatswood	13.00	5.27	1,770	7,345	2.1	Insurance Australia Ltd	Hinglong	Nov-13
66 Talavera Rd	Macq. Park	30.66	9.80	18,122	1,694	0.8	AstraZeneca	Holdmark Developers	Jan-14
54 Talavera Rd	Macq. Park	48.00	8.29	11,323	4,239	11.4	Mirvac Property Trust	Securus Data Property Fund	Dec-13
1 Lyonpark Rd	Macq. Park	184.43›	7.56	84,194	4,470	8.6	Stockland Direct Office Trust No.2	AIMS AMP Capital Industrial REIT	Nov-13
78 Waterloo Rd	Macq. Park	71.80	8.00	14,983	4,792	5.6	Stockland	CorVal	Sep-13

Source: Knight Frank
n refers net g refers gross * expansion space for existing tenant ≥ reported initial yield # settlement due June 2014
Dev refers Development Site ‡ DA Approved for hotel conversion ^ bought with potential residential conversion
≈ bought for owner occupation HPL refers Healthcare Property Trust APIL refers Australasian Property Investments Limited
† subject to equity raising ˇ passing yield › 49% share U/D refers undisclosed DPF refers Heathley Diversified Property Fund

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Knight Frank Newmark Global

Knight Frank Research

Nick Hoskins
Associate Director – NSW Research
+61 2 9036 6766
Nick.hoskins@au.knightfrank.com

Matt Whitby
National Director
Head of Research & Consulting Services
+61 2 9036 6616
Matt.whitby@au.knightfrank.com

Knight Frank Valuations

David Castles
State Director, Knight Frank Valuations
+61 2 9036 6648
David.castles@au.knightfrank.com

Tom Phelan
Divisional Director, North Sydney
+61 2 9028 1131
Tom.phelan@au.knightfrank.com

Lachlan Graham
Divisional Director, North Sydney
+61 2 9028 1132
Lachlan.graham@au.knightfrank.com

Commercial Agency Contacts

John Preece
National Director
Managing Director, Sydney – North Shore
+61 2 9028 1110
John.preece@au.knightfrank.com

Giuseppe Ruberto
Director – Office Leasing, North Shore
+61 2 9028 1115
Giuseppe.ruberto@au.knightfrank.com

Brett Burridge
Director, Commercial Sales & Investments
+61 2 9028 1139
Brett.burridge@au.knightfrank.com

Tyler Talbot
Director, Commercial Sales & Investments
+61 2 9028 1148
Tyler.talbot@au.knightfrank.com

Michael Wydeman
Director - Head of Business Space
+61 2 9028 1127
Michael.wydeman@au.knightfrank.com

James Parry
Managing Director
Capital Markets Australia
+61 2 9036 6758
James.parry@au.knightfrank.com

Richard Horne
Managing Director, NSW
+61 2 9036 6622
Richard.horne@au.knightfrank.com

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