savills

Savills Research
South Australia

Quarter Times
Adelaide Retail

Q4/2016

Key Market Indicators

Adelaide Enclosed Centres

	Regional*		Sub-Regional		Neighbourhood	
	Low	High	Low	High	Low	High
Major Tenant Net Rental ($/sq m)	170	350	150	325	150	300
DDS Tenant Net Rental ($/sq m)	75	125	90	125	na	na
Specialty Tenant Net Rental ($/sq m)	1,010	1,775	750	1,250	200	600
Yield – Market (%)	5.75	7.00	7.00	8.00	7.00	8.25
IRR (%)	7.75	8.75	8.50	9.00	8.50	9.50
Outgoings – Operating ($/sq m)	50	100	50	100	50	100
Outgoings – Statutory ($/sq m)	35	55	30	40	25	70
Outgoings – Total ($/sq m)	85	155	80	140	75	170
Capital Values ($/sq m)	7,200	10,800	3,500	6,000	2,000	5,000

Source: Savills Research * Includes Major & Super-Regional na = not applicable

Adelaide Shops

	Rundle Mall		Other CBD		Shopping Strip	
	Low	High	Low	High	Low	High
Net Rental ($/sq m)	2,000	3,700	400	1,200	250	600
Yield – Market (%)	4.50	6.00	5.50	7.00	5.00	6.50
Outgoings – Operating ($/sq m)	85	105	75	95	45	55
Outgoings – Statutory ($/sq m)	200	220	150	170	15	25
Outgoings – Total ($/sq m)	285	325	225	265	60	80
Capital Values ($/sq m)	4,000	10,000	3,500	8,000	2,500	4,500

Source: Savills Research

Adelaide Large Format Retail

	Large Format	
	Low	High
Tenant Net Rental ($/sq m) > 1,000 sq m	125	220
Yield – Market (%)	6.50	9.00
IRR (%)	8.50	9.75
Outgoings – Operating ($/sq m)	20	30
Outgoings – Statutory ($/sq m)	15	30
Outgoings – Total ($/sq m)	35	60
Capital Values ($/sq m)	1,800	3,000

Source: Savills Research

Major Sales Activity

Select Adelaide Enclosed Retail Centre Sales

Date	Property	Price ($m)	GLA (sq m)	$/sq m	Yield (%)
Jul-16	Port Mall Shopping Centre, Port Adelaide	14.85	11,465	1,295	5.85*
Jul-16	Surrey Downs Shopping Centre, Surrey Downs	15.50	4,860	3,189	7.80*
Jul-16	Parafield Plaza, Parafield Gardens	6.20	3,869	1,602	9.00
Aug-16	Hilton Plaza, Hilton	19.20	4,453	4,312	6.59

Source: Savills Research *passing ~approximate range na = not available or not able to be disclosed

Select Adelaide Retail Shop Sales

Date	Property	Price ($m)	GLA (sq m)	$/sq m	Yield (%)
Jul-16	568-570 North East Rd, Holden Hill	1.37	413	3,305	7.50*
Jul-16	532-536 Goodwood Rd, Daw Park	2.20	725	3,034	6.47*
Jul-16	101 King William Rd, Unley	1.37	275	4,982	VP
Aug-16	528 Grange Rd, Henley Beach#	2.36	638	3,699	7.71*
Aug-16	188A Main South Rd, Morphett Vale	2.29	488	4,682	6.19*
Sep-16	201-203 Franklin St, Adelaide	1.37	437	3,124	VP
Sep-16	544 Magill Rd, Magill	1.20	195	6,154	Holding income
Oct-16	138-140 Rundle Mall, Adelaide	7.00	1,297	5,399	5.92

Source: Savills Research *passing VP=vacant possession #sale does not include Drake Foodland

Select Adelaide Large Format Retail Sales

Date	Property	Price ($m)	GLA (sq m)	$/sq m	Yield (%)
Jul-16	30-34 Quebec St, Port Adelaide	5.00	3,748	1,334	VP
Aug-16	1258-1260 South Rd, Clovelly Park	1.73	759	2,273	6.70*
Sep-16	25-29 Young St, Adelaide	6.60	1,780	3,708	8.00*

Source: Savills Research *passing VP=vacant possession

Select Adelaide Retail Development Sales

Date	Property	Price ($m)	Site (sq m)	$/sq m
	There were no significant development sales during the quarter.			

Source: Savills Research

Current Retail Construction

Major Centres Currently Under Construction

Centre	Suburb	Type	New	Extension	Refurb	Completion
Foodland Supermarket & Shopping Mall	Brighton	Neighbourhood		1,100		2017
Aldi Supermarket^	Hawthorn	Large Format	1,603			2017
Aldi Supermarket^	Ingle Farm	Large Format	1,500			2017
Aldi Supermarket^	Seaton	Large Format	1,590			2017
Mount Barker Village Shopping Centre^	Mount Barker	Neighbourhood		~2,000		2017
Port Canal Shopping Centre redevelopment (Stage 2 and 3)^	Port Adelaide	Neighbourhood			24,415 (includes Kmart)	2018
Parabanks Shopping Centre^	Salisbury	Sub Regional				2018
The Square Retail Development^	Woodville West	Neighbourhood			1,000	2018
Eyre Village Shopping Centre (Drakes Foodland)	Penfield	Neighbourhood	2,600			2018
Castle Plaza Activity Centre^	Edwardstown	Large Format			na	2019
Westfield Shopping Centre – Tea Tree Plaza	Modbury	Sub Regional		13,572		2018
Westfield Marion (Stage 1B, 1C)^	Marion	Sub Regional		~11,000		2023

Source: Cordell/Savills Research ^In Planning or has development approval but has not yet begun construction ~estimate na = not available

Savills Australian Capital Territory

Research
Houssam Yakzan
+61 (0) 2 8215 8980
hyakzan@savills.com.au

Valuations
Phil Harding
+61 (0) 2 6221 8293
pharding@savills.com.au

Sales & Leasing
Theo Dimarhos
+61 (0) 2 6221 8275
tdimarhos@savills.com.au

Project Management
Mitchell Thomas
+61 (0) 2 6221 8294
mthomas@savills.com.au

Savills New South Wales

Research
Tim Mitchell
+61 (0) 2 8215 8856
tmitchell@savills.com.au

Research
Houssam Yakzan
+61 (0) 2 8215 8980
hyakzan@savills.com.au

Valuations
Chris Paul
+61 (0) 2 8215 8850
cpaul@savills.com.au

Retail Sales
Steven Lerche
+61 (0) 2 8215 8929
slerche@savills.com.au

Metro & Regional Sales
Robert Lowe
+61 (0) 2 8215 8841
rlowe@savills.com.au

Retail Leasing
Leighton Hunziker
+61 (0) 2 8215 8838
lhunziker@savills.com.au

Retail Management
David Kleiner
+61 (0) 2 8215 8820
dkleiner@savills.com.au

Project Management
Phill Andrew
+61 (0) 2 8215 8922
pandrew@savills.com.au

Savills Queensland

Research
Yvette Burton
+61 (0) 7 3002 8829
yburton@savills.com.au

Valuations
Lawrence Devine
+61 (0) 7 3002 8822
ldevine@savills.com.au

Retail Sales
Peter Tyson
+61 (0) 7 3002 8807
ptyson@savills.com.au

Retail Leasing
Garry McDowall
+61 (0) 7 3002 8920
gmcdowall@savills.com.au

Retail Management
Leonie Deaves
+61 (0) 7 3002 8907
ldeaves@savills.com.au

Sunshine Coast
Scott Gardiner
+61 (0) 7 5313 7514
sgardiner@savills.com.au

Gold Coast
Kevin Carmody
+61 (0) 7 5509 1700
kevin@savillsgc.com.au

Project Management
Andrew Hogg
+61 (0) 7 3018 6738
ahogg@savills.com.au

Savills South Australia

Research
Katy Dean
+61 (0) 8 9488 4140
kdean@savills.com.au

Valuations
Alastair Johnston
+61 (0) 8 8237 5041
acjohnston@savills.com.au

Retail Sales
Peter Isaksson
+61 (0) 8 8237 5020
pisaksson@savills.com.au

City & Metropolitan Sales
Steve Bobridge
+61 (0) 8 8237 5015
sbobridge@savills.com.au

Retail Leasing
Peter Isaksson
+61 (0) 8 8237 5020
pisaksson@savills.com.au

Retail Management
Jeffrey Klaebe
+61 (0) 8 8237 5018
jklaebe@savills.com.au

Project Management
Steve Christodoulou
+61 (0) 8 8237 5004
schristodoulou@savills.com.au

Savills Victoria

Research
Monica Mondkar
+61 (0) 3 8686 8034
mmondkar@savills.com.au

Valuations
Stuart Fox
+61 (0) 3 8686 8029
sfox@savills.com.au

Capital Transactions
Jason Kougellis
+61 (0) 3 8686 8000
jkougellis@savills.com.au

Investment Sales
Pat De Maria
+61 (0) 3 8686 8080
pdemaria@savills.com.au

CBD & Metropolitan Sales
Clinton Baxter
+61 (0) 3 8686 8021
cbaxter@savills.com.au

Retail Leasing
Damien Abela
+61 (0) 3 8686 8023
dabela@savills.com.au

Asset Management
Paul Le Sueur
+61 (0) 3 8686 8055
plesueur@savills.com.au

Project Management
Chris Adam
+61 (0) 3 9445 6841
cadam@savills.com.au

Savills Western Australia

Research
Katy Dean
+61 (0) 8 9488 4140
kdean@savills.com.au

Valuations
Mark Foster-Key
+61 (0) 8 9488 4145
mfosterkey@savills.com.au

Capital Transactions
Paul Craig
+61 (0) 8 9488 4156
pcraig@savills.com.au

City & Metropolitan Sales
Chas Moore
+61 (0) 8 9488 4155
cmoore@savills.com.au

Retail Leasing
Chris Ireland
+61 (0) 8 9488 4179
cireland@savills.com.au

Retail Management
Jason Ridge
+61 (0) 8 9488 4118
jridge@savills.com.au

Project Management
Graham Nash
+61 (0) 8 6271 0306
gnash@savills.com.au