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Savills Research
Western Australia

Quarter Times Perth Retail

Q4/2016



Key Market Indicators

Perth Enclosed Centres

	Regional		Sub-Regional		Neighbourhood	
	Low	High	Low	High	Low	High
Major Tenant Net Rental (\$/sq m)	160	240	150	220	135	220
DDS Tenant Net Rental (\$/sq m)	160	235	150	220	na	na
Specialty Tenant Net Rental (\$/sq m)	1,050	1,800	600	1,200	350	900
Yield - Market (%)	5.00	6.50	5.75	8.25	6.00	8.50
IRR (%)	7.50	8.50	7.75	9.00	7.50	9.00
Outgoings - Operating (\$/sq m)	80	125	75	120	40	80
Outgoings - Statutory (\$/sq m)	40	50	35	40	30	50
Outgoings - Total (\$/sq m)	140	200	120	180	70	150
Capital Values (\$/sq m)	5,000	10,500	2,700	6,500	2,500	5,000

Source: Savills Research

Perth Shops

	Hay & Murray Street Malls		Other CBD		Shopping Strip	
	Low	High	Low	High	Low	High
Net Rental (\$/sq m)	2,300	5,250	650	2,800	400	1,500
Yield - Market (%)	6.00	7.50	6.50	9.00	6.00	9.00
Outgoings - Operating (\$/sq m)	50	285	120	170	50	65
Outgoings - Statutory (\$/sq m)	100	145	45	80	25	35
Outgoings - Total (\$/sq m)	150	430	165	250	75	100
Capital Values (\$/sq m)	5,200	10,500	4,200	7,200	4,000	6,500

Source: Savills Research

Perth Large Format Retail

	Large Format	
	Low	High
Tenant Net Rental (\$/sq m) >1,000sq m	120	270
Yield - Market (%)	5.50	9.50
IRR (%)	9.00	11.50
Outgoings - Operating (\$/sq m)	35	55
Outgoings - Statutory (\$/sq m)	20	35
Outgoings - Total (\$/sq m)	55	90
Capital Values (\$/sq m)	1,900	3,000

Source: Savills Research

Major Sales Activity

Select Perth Retail Enclosed Centre Sales

Date	Property	Price (\$m)	GLA (sq m)	\$/sq m	Yield (%)
Jun-16	Caversham Village Shopping Centre, Caversham	26.50	4,793	5,529	5.79
Jul-16	Mullaloo Plaza Shopping Centre, Mullaloo	10.00	2,349	3,078	6.73
Jul-16	Woolworths Dalyellup, Dalyellup	31.56	6,504	4,852	6.77*
Jul-16	Byford Market Place, Byford**	27.25	4,993	5,458	6.00*
Sep-16	Subiaco Square Shopping Centre, Subiaco	38.35	6,481	5,917	6.09
Oct-16	Darling Ridge Shopping Centre, Swan View	17.35	2,226	7,794	6.61

Source: Savills Research na = not currently available or not disclosed *passing **fund-through deal

Select Perth Retail City Centre

Date	Property	Price (\$m)	GLA (sq m)	\$/sq m	Yield (%)
Jun-16	713-717 Hay St, Perth	31.50	3,465	~9,090	~5.75
Jun-16	709 Hay St, Perth	12.00	1,472	~8,152	~5.30
Jul-16	705-707 Hay St, Perth	17.50	1,418	~12,341	~5.00
Sep-16	Carillon City Shopping Centre, Perth	140.00	17,856	~7,752	~6.60

Source: Savills Research na = not currently available or not disclosed ~approximate range

Select Perth Retail Shop Sales

Date	Property	Price (\$m)	GLA (sq m)	\$/sq m	Yield (%)
May-16	421-423 Oxford St, Mount Hawthorn	1.60	232	\$6,897	VP
Jun-16	447 Hay St, Perth	5.00	902	5,543	na
Jun-16	78 Barrack St, Perth	3.35	1,047	3,200	Partially leased
Aug-16	484 Stirling Hwy, Peppermint Growth	3.95	475	8,316	4.95*

Source: Savills Research na = not currently available or not disclosed *passing

Select Perth Large Format Retail Sales

Date	Property	Price (\$m)	GLA (sq m)	\$/sq m	Yield (%)
Mar-16	Bunnings Joondalup	45.30	13,866	3,140	5.50
Jun-16	Bunnings Osborne Park	7.05	2,154	3,273	4.65
Jun-16	Primewest Mandurah	13.00	5,836	2,228	8.58*

Source: Savills Research *passing

Current Retail Construction

Major Centres Currently Under Construction

Centre	Suburb	Type	New	Extension	Refurb	Completion
Allendale Square Retail & Plaza redevelopment	Perth	Shops		~200		2017
Lakelands Shopping Centre	Lakelands	Sub Regional	23,321			2017
Stockland Riverton	Riverton	Sub Regional			3,923	2017
The Shops at Ellenbrook (Stage 1)	Ellenbrook	Large Format		4,214		2017
Whitfords City (Stage 1)	Hillarys	Regional		8,118		2017
Secret Harbour Square Shopping Centre	Secret Harbour	Neighbourhood		10,592		2017
Hay Street Mall, Piccadilly Arcade/Cinema [^]	Perth	City Centre	Refurb		2,429	2018
Kwinana Marketplace Shopping Centre [^]	Kwinana	Sub Regional			3,829	2018
Bunbury Centrepont Shopping Centre [^]	Bunbury	Neighbourhood		2,424		2018
Plaza Arcade [^]	Perth	City Centre			na	2018
Bunbury Forum Shopping Centre [^]	Bunbury	Sub Regional		10,594		2018
The Shops at Ellenbrook (Stage 2)	Ellenbrook	Large Format		1,670		2018
Mandurah Forum	Mandurah	Regional		24,780	38,750	2018
Vicinity Factory Outlet [^]	Perth Airport	DFO	24,000			2018
Westfield Carousel [^]	Cannington	Regional		47,108		2018
Morley Galleria [^]	Morley	Neighbourhood	100,000			2019
Forrest Chase/City Central [^]	Perth	City Centre			41,575	2019
Midland Gate Shopping Centre [^]	Midland	Sub Regional		18,000		2019
Whitfords City (Stage 2) [^]	Hillarys	Regional		~100,000		2019
Garden City [^]	Booragoon	Regional		42,780		2019
Karrinyup Shopping Centre [^]	Karrinyup	Regional		49,903		2019
Westfield Innaloo [^]	Innaloo	Sub Regional		47,568		2018 & 2026 ¹

Source: Savills Research/Cordell

[^]In Planning or has development approval but has not yet begun construction

DFO=Direct Factory Outlet

¹ Stage 1 due late 2018, with balance staged to 2026

~approximate range

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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
gmc dowall@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