

Savills Research - Q1 2021


REPORT
Savills Research

Quarter Time

National Industrial



Report Contents

National Indicator Summary	2
Executive Summary	3
Sales & Leasing Metrics	4
Economic Drivers	6
State Indicators	
New South Wales	7
Victoria	11
Queensland	14
Western Australia	17
South Australia	20



Paul Craig
pcraig@savills.com.au
CEO
Savills Australia & New Zealand



Monique Bird
mbird@savills.com.au
Analyst
Valuation & Advisory

National Markets Summary – Prime

	N.F. Rent	Market Yield	IRR	Cap. Value	Land Value
SYD - South Syd	203 (n/c)	4.25 (-38 bps)	6.13 (-25 bps)	5,000 (n/c)	2,750 (+10.0%)
SYD - West	125 (n/c)	4.25 (-38 bps)	6.25 (-25 bps)	3,000 (+11.1%)	900 (+24.1%)
SYD - Cntrl West	163 (+6.6%)	4.25 (-38 bps)	6.25 (-38 bps)	3,850 (+33.9%)	1,250 (n/c)
SYD - Nth West	133 (n/c)	4.25 (-50 bps)	6.25 (-38 bps)	3,200 (+25.5%)	900 (n/c)
SYD - South West	123 (-2.0%)	4.25 (-38 bps)	6.25 (-38 bps)	2,900 (+18.4%)	875 (n/c)
SYD - Outer S.W.	110 (+4.8%)	4.25 (-50 bps)	6.25 (-38 bps)	2,600 (+9.5%)	750 (n/c)
MEL - City Fringe	135 (n/c)	4.63 (-75 bps)	6.13 (-13 bps)	2,700 (+17.4%)	1,550 (+10.7%)
MEL - West	84 (+1.5%)	4.75 (-88 bps)	6.13 (-63 bps)	1,800 (+24.1%)	388 (+6.9%)
MEL - North	78 (+3.3%)	4.88 (-88 bps)	6.25 (-63 bps)	1,600 (+10.3%)	413 (+6.5%)
MEL - East	95 (+2.7%)	4.63 (-100 bps)	6.13 (-63 bps)	2,100 (+13.5%)	800 (+45.5%)
MEL - South Eastern	93 (+2.8%)	4.63 (-100 bps)	6.13 (-63 bps)	2,050 (+21.5%)	550 (n/c)
BRI - Southside	118 (n/c)	5.13 (-75 bps)	6.25 (-75 bps)	2,300 (+31.4%)	360 (+12.5%)
BRI - Northside	125 (n/c)	5.13 (-100 bps)	6.25 (-75 bps)	2,450 (+24.1%)	363 (n/c)
BRI - Trade Coast	133 (n/c)	4.88 (-84 bps)	6.13 (-75 bps)	2,750 (+25.7%)	575 (+9.5%)
BRI - M1 / Logan Cor.	110 (n/c)	5.00 (-88 bps)	6.25 (-75 bps)	2,250 (+25.9%)	345 (+10.4%)
BRI - West	110 (n/c)	5.50 (-63 bps)	6.75 (-50 bps)	2,050 (+18.0%)	300 (+12.1%)
PER - Core	100 (+5.3%)	6.00 (-13 bps)	7.50 (-50 bps)	1,625 (n/c)	425 (n/c)
PER - East	100 (+5.3%)	6.00 (-13 bps)	7.50 (-50 bps)	1,625 (n/c)	413 (n/c)
PER - North	90 (+5.9%)	6.25 (-38 bps)	7.75 (-25 bps)	1,550 (+3.3%)	388 (n/c)
PER - South	93 (+8.8%)	6.63 (-88 bps)	8.00 (-38 bps)	1,400 (+1.8%)	325 (n/c)
ADL - Inner West	115 (n/c)	5.75 (-88 bps)	7.00 (-88 bps)	2,050 (+41.4%)	400 (+14.3%)
ADL - North	85 (n/c)	6.00 (-125 bps)	7.25 (-125 bps)	1,450 (+45.0%)	95 (+26.7%)
ADL - North West	105 (+7.7%)	6.00 (-88 bps)	7.25 (-88 bps)	1,650 (+37.5%)	213 (+13.3%)
ADL - South	75 (n/c)	7.00 (-75 bps)	8.13 (-75 bps)	1,100 (+22.2%)	88 (+2.9%)
ADL - South West	108 (+2.4%)	6.00 (-75 bps)	7.38 (-75 bps)	1,850 (+42.3%)	400 (n/c)

Source: Savills Research

Executive Summary

Industrial property in Australia has experienced strong capital value growth and yield compression with continued demand from both domestic private and institutional groups and foreign investors. The last 12 months saw over \$8.86 billion of industrial sales (above \$5mil) across 224 transactions, many of which consisted of portfolio sales as institutional investors acquired prime industrial facilities to be buried into core portfolios. This was the highest volume of sales (in dollar terms) on record and well above the 10 year average of \$5.2 billion.

Well located warehouse and logistics facilities that service densely populated areas are at the forefront of investor attention, particularly along Australia's east coast industrial markets which have attributed to capital value growth and ongoing yield compression over the last three years. The impacts of COVID-19 on commercial property is certainly evident, however industrial assets have demonstrated resilience with continued demand from tenants in comparison to other asset classes where activity has slowed over the last 12 months. Over the short to medium term, we anticipate prime industrial yields in key markets continue to compress. The spread to secondary assets will diverge as purchasers will price tenant credit risk more harshly, particularly those adversely affected by COVID-19.

Latest Morgan Stanley Capital International data (December 2020) indicates that industrial property was the best performing asset class, further diverging from the office sector. Total returns were recorded at 13.9% which consisted of income returns of 7.3% and capital returns of 4.2%.

Overall, the conditions within the industrial markets have remained strong over the last 12 months. Demand continues to be driven by the transport, postal warehousing and wholesale retail sectors. Industrial and logistics remains an attractive asset class for investors, driving the sector to all time low yields. The growth in e-commerce activity and infrastructure investment is supporting the logistics sector and demand for warehouses in strategic locations. The asset class continues to benefit from densification and location infill as the population grows and gravitates towards infrastructure, despite benign economic and rental growth forecasts.

Population growth however remains key to the performance of the sector as net overseas migration drops sharply off the back of Australian border closures. As a result of border closures limiting overseas migration, our population growth rates are expected to be reduced over the next 12 months, and this will have flow on impacts to the demand for industrial and logistics space over the short term.

Developers, A-REITs and private equity groups are expected to focus on developable land, which will continue to place upward pressure on already record high land values. As more than half of the Australian population remains heavily concentrated in Sydney, Melbourne and Brisbane, industrial land values in these capital cities will continue to trend upwards, which we believe will lead to above average rental growth, with the transition from bricks and mortar retail to e-commerce retailing becoming another key driver of industrial activity in these regions.

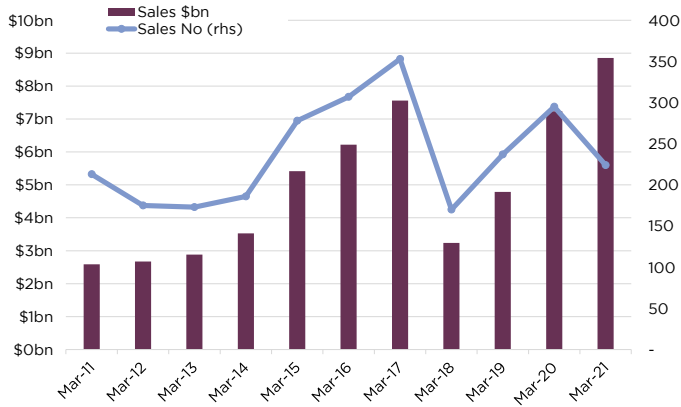
Economic Indicators Summary

Key State Indicators (%)	Latest	AUS	NSW	VIC	QLD	WA	SA
GDP/SFD	Dec-20	-1.1 (2.2)	-0.7 (2.1)	-3.5 (2.2)	2.3 (1.8)	1.2 (0.6)	0.0 (1.4)
Population Growth	Sep-20	0.9 (1.5)	0.7 (1.3)	0.8 (2.0)	1.4 (1.6)	1.4 (1.5)	0.8 (0.8)
Employment Growth	Feb-21	0.0 (1.5)	-0.4 (1.5)	0.1 (2.0)	1.3 (1.5)	-0.9 (1.2)	-0.6 (0.5)
Unemployment Rate	Feb-21	6.6 (5.6)	6.4 (5.2)	6.7 (5.7)	7.3 (6.2)	6.9 (5.5)	7.2 (6.3)
Inflation	Dec-20	0.9 (1.9)	0.8 (2.0)	1.3 (2.0)	1.0 (1.9)	-0.1 (1.5)	1.0 (1.9)
Retail Turnover	Jan-21	11.2 (4.2)	9.8 (4.2)	9.2 (4.3)	13.5 (4.5)	16.4 (4.3)	8.8 (3.1)
Job Ad Growth - Total	Feb-21	-15.3 (-3.1)	-19.5 (-3.1)	-27.7 (-3.6)	-6.4 (-2.9)	4.3 (-3.3)	2.3 (-3.5)
Job Ad Growth - Industrial	Feb-21	-5.5 (-2.0)	-11.3 (-2.0)	-21.5 (-2.9)	2.9 (-2.3)	13.7 (0.3)	7.5 (-4.1)
DA Approvals - Industrial	Feb-21	-10.4 (5.9)	-3.7 (7.9)	-22.0 (8.7)	-23.9 (5.0)	-6.5 (-2.3)	75.7 (9.5)

Source: ABS/Savills, 10yr Average shown in brackets

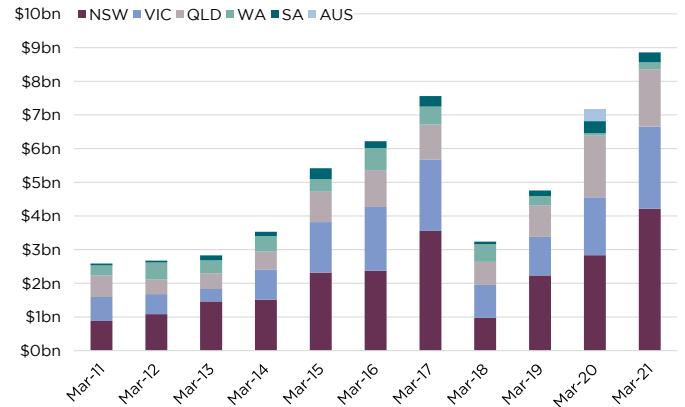
Industrial Sales & Leasing Metrics

National Sales Volumes by State (\$5m+)



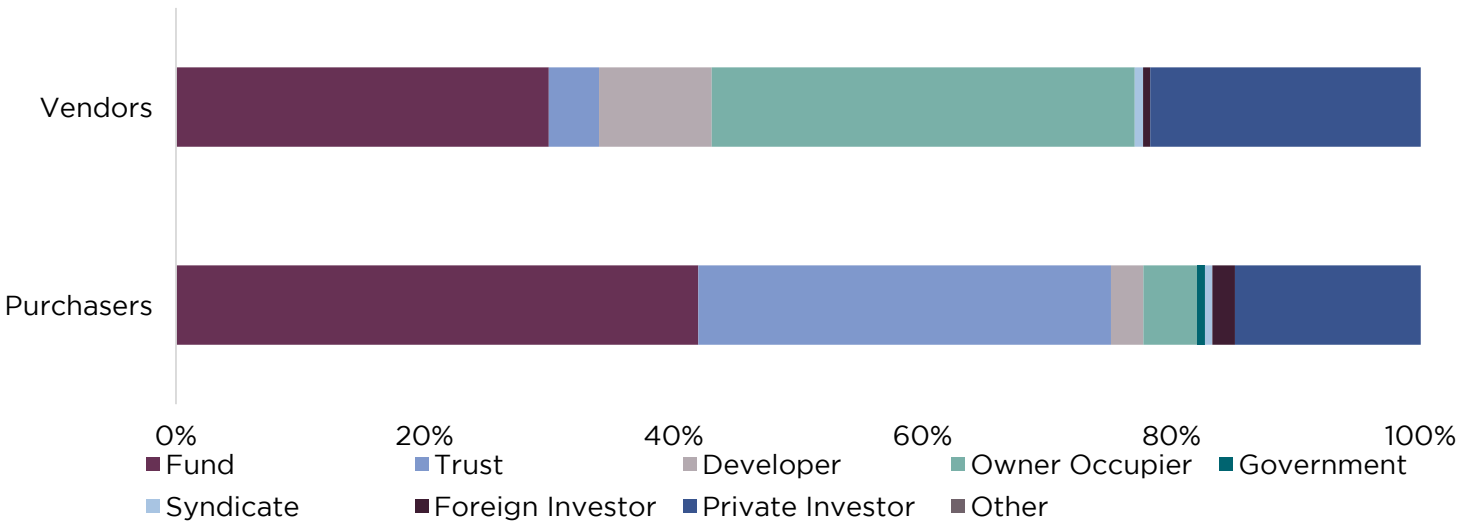
Source: Savills Research

National Sales Volumes by Centre Type (\$5m+)



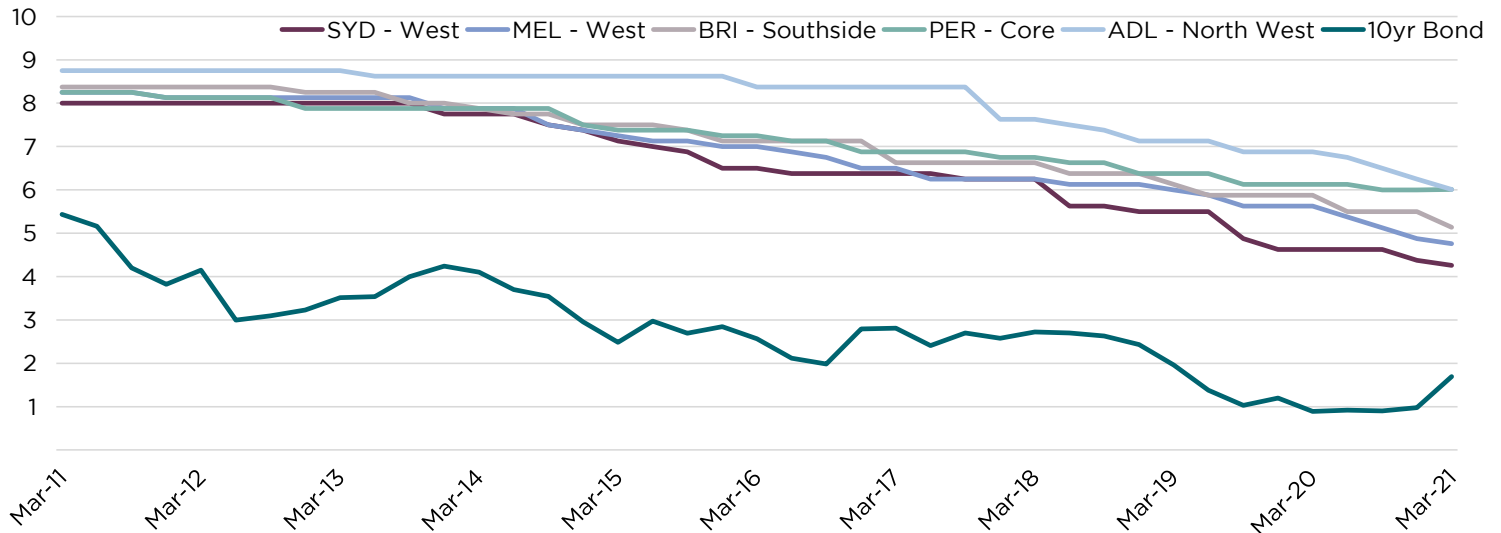
Source: Savills Research

Vendor & Purchaser Analysis (12 months to March 2021)



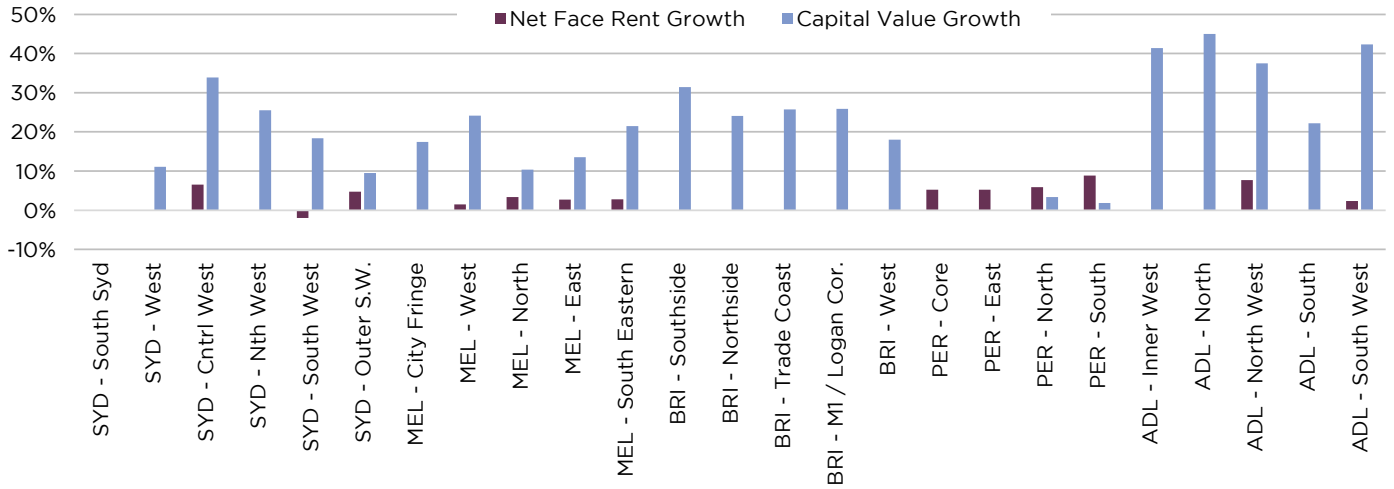
Source: Savills Research

Key Markets - Average Prime Yield & 10yr Bond Rate



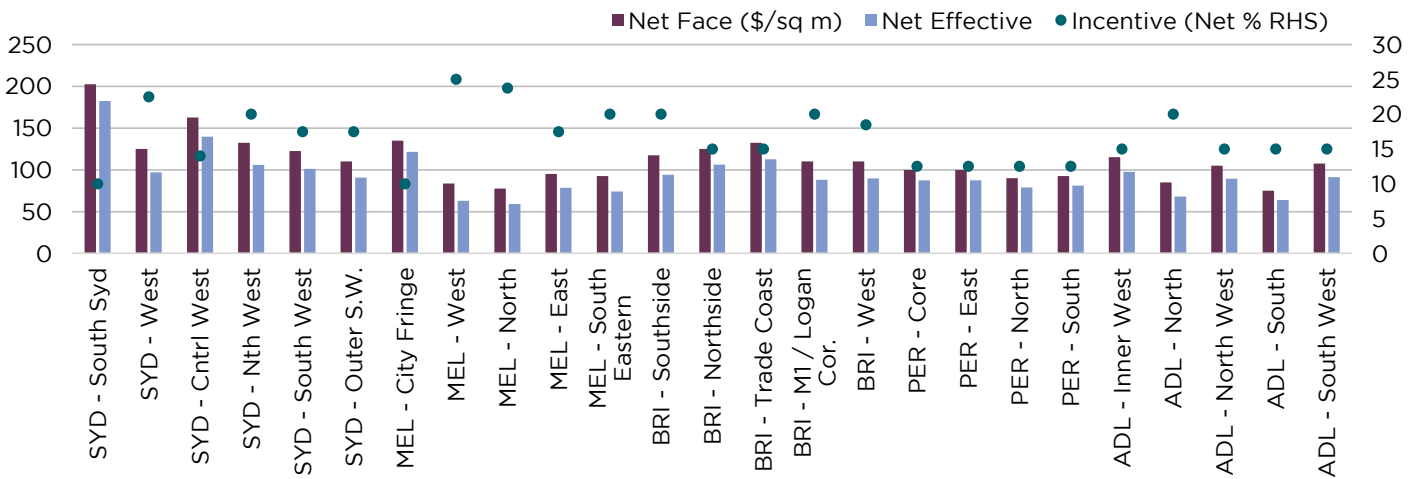
Source: Savills Research/RBA

12 Month Face Rental & Capital Growth - Prime



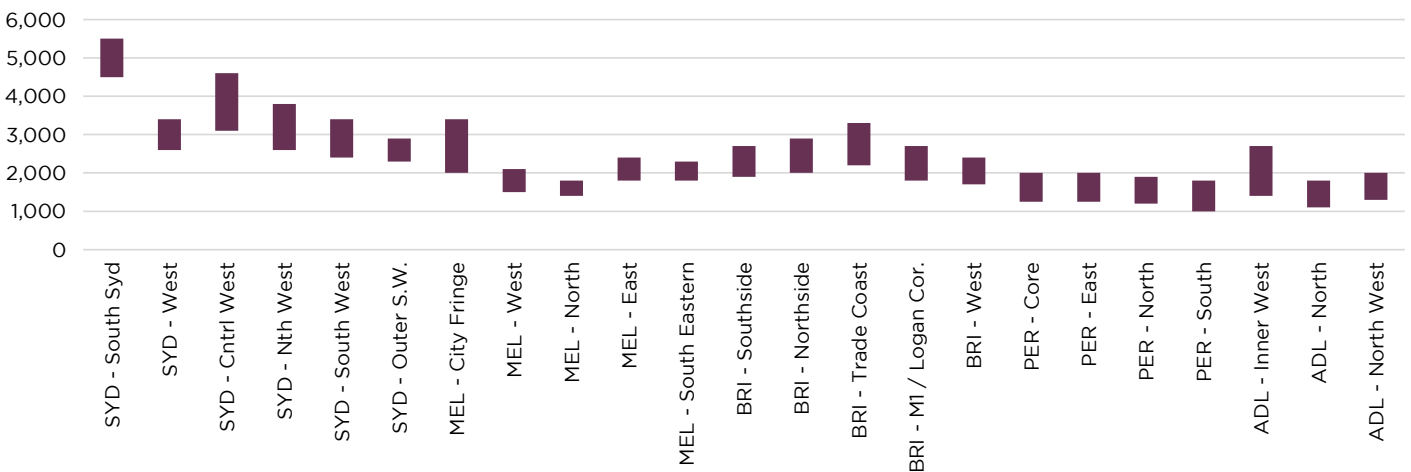
Source: Savills Research

National Face Rents, Effective Rents and Incentive Comparison - Prime Average



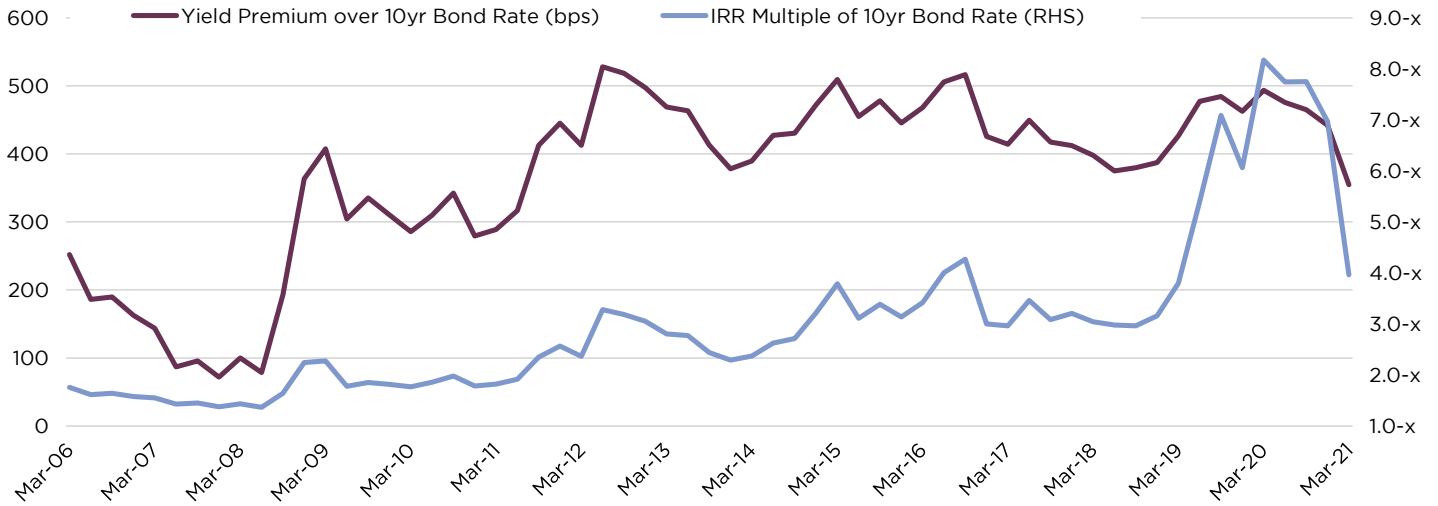
Source: Savills Research

Typical Capital Value Range (\$/sq m) - Prime



Source: Savills Research

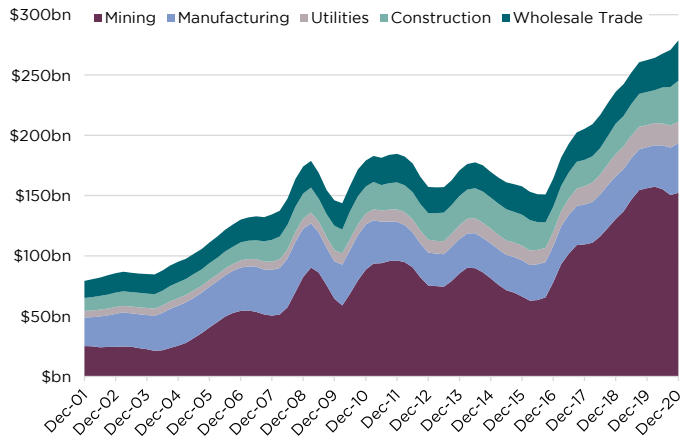
Key Markets - Average Yield Spread over 10yr Bond Rate and IRR Multiple



Source: Savills Research/RBA

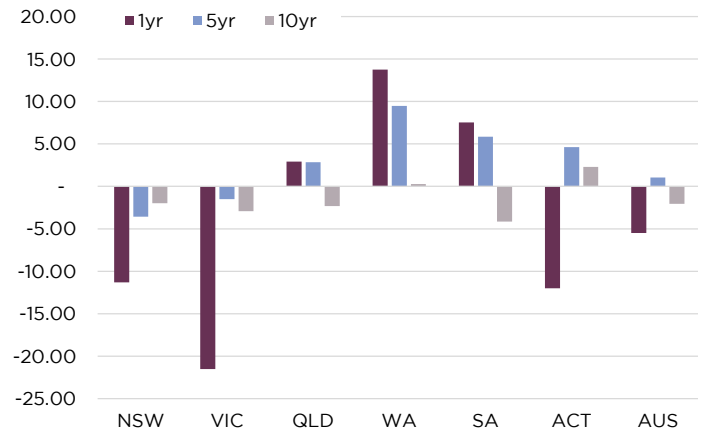
Industrial Sector Economic Drivers

Industrial Company Profits



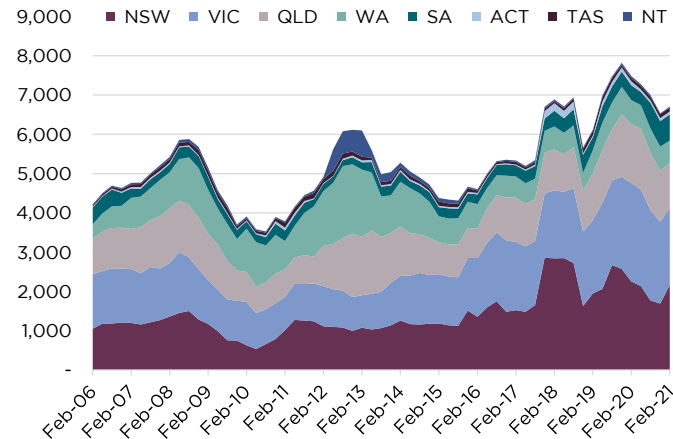
Source: ABS

Job Ads - Industrial - Compound Growth % (to Feb-21)



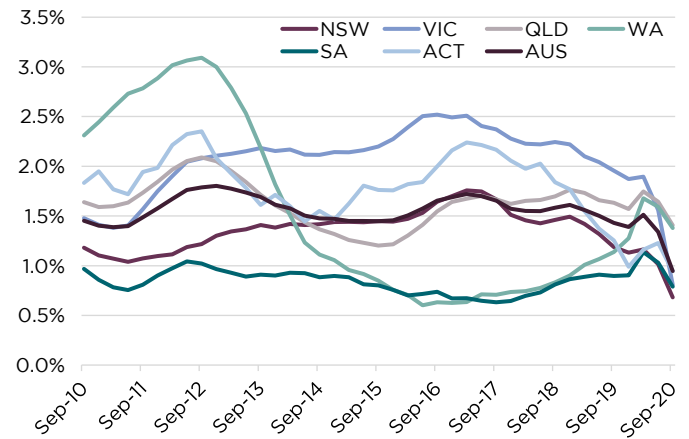
Source: DEEWR

Industrial Development Approvals (\$m)



Source: ABS

Population Growth



Source: ABS

New South Wales

NSW Economic Drivers (%)

	As at	AUS	NSW
GDP / SFD Growth	Dec-20	-1.1 (2.2)	-0.7 (2.1)
Population Growth	Sep-20	0.9 (1.5)	0.7 (1.3)
Employment Growth	Feb-21	0.0 (1.5)	-0.4 (1.5)
Unemployment Rate	Feb-21	6.6 (5.6)	6.4 (5.2)
Inflation	Dec-20	0.9 (1.9)	0.8 (2.0)
Retail Trade Growth	Jan-21	11.2 (4.2)	9.8 (4.2)
Job Ad Growth - Total	Feb-21	-15.3 (-3.1)	-19.5 (-3.1)
Job Ad Growth - Industrial	Feb-21	-5.5 (-2.0)	-11.3 (-2.0)
House Price Growth	Dec-20	3.2 (3.6)	2.4 (4.9)
Apartment Price Growth	Dec-20	3.0 (2.8)	1.4 (4.2)
DA Approvals - Industrial	Feb-21	-10.4 (5.9)	-3.7 (7.9)
Earnings Growth	May-20	4.4 (3.1)	4.4 (3.2)

Source: ABS/Savills Research Note: 10yr average shown in brackets

South Sydney

Alexandria, Botany, Banksmeadow, Rosebery

South Sydney	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	170	235	160	170
Incentives (%)	8	12	8	12
Yield - Market (%) *	4.00	4.50	4.50	5.00
IRR (%)	6.00	6.25	6.25	6.50
Outgoings - Total (\$/sq m)	50.00	65.00	50.00	65.00
Capital Values (\$/sq m)	4,500	5,500	3,000	3,500
Land Values 3,000 - 5,000 sq m (\$/sq m)	3,000 (high)		2,500 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	2,500 (high)		2,000 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

South West Sydney

Chipping Norton, Moorebank, Prestons, Warwick Farm

South Sydney	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	110	135	100	115
Incentives (%)	10	25	10	20
Yield - Market (%) *	4.00	4.50	4.75	6.00
IRR (%)	6.00	6.50	6.50	6.75
Outgoings - Total (\$/sq m)	25.00	30.00	25.00	30.00
Capital Values (\$/sq m)	2,400	3,400	2,000	2,300
Land Values 3,000 - 5,000 sq m (\$/sq m)	1,000 (high)		750 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	750 (high)		650 (low)	
Land Values 10 ha and above (\$/sq m)	700 (high)		600 (low)	

Outer South West Sydney

Campbelltown, Ingleburn, Minto, Smeaton Grange

Outer South West Sydney	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	105	115	95	105
Incentives (%)	10	25	10	20
Yield - Market (%) *	4.00	4.50	4.75	5.50
IRR (%)	6.00	6.50	6.50	6.75
Outgoings - Total (\$/sq m)	20.00	25.00	20.00	25.00
Capital Values (\$/sq m)	2,300	2,900	1,750	2,200
Land Values 3,000 - 5,000 sq m (\$/sq m)	800 (high)		700 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	700 (high)		600 (low)	
Land Values 10 ha and above (\$/sq m)	600 (high)		500 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

Central West Sydney

Auburn, Chullora, Granville, Homebush, Rydalmere, Silverwater

Central West Sydney	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	140	185	125	140
Incentives (%)	8	20	8	20
Yield - Market (%) *	4.00	4.50	4.75	5.50
IRR (%)	6.00	6.50	6.50	6.75
Outgoings - Total (\$/sq m)	30.00	40.00	30.00	40.00
Capital Values (\$/sq m)	3,100	4,600	2,300	2,900
Land Values 3,000 - 5,000 sq m (\$/sq m)	1,500 (high)		1,000 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	1,000 (high)		800 (low)	
Land Values 10 ha and above (\$/sq m)	1,000 (high)		800 (low)	

Western Sydney

Arndell Park, Eastern Creek, Erskine Park, Greystanes, Huntingwood, Smithfield, Wetherill Park, Yennora

Western Sydney	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	115	135	100	110
Incentives (%)	15	30	10	20
Yield - Market (%) *	4.00	4.50	4.75	5.50
IRR (%)	6.00	6.50	6.50	6.75
Outgoings - Total (\$/sq m)	25.00	30.00	25.00	30.00
Capital Values (\$/sq m)	2,600	3,400	2,250	2,500
Land Values 3,000 - 5,000 sq m (\$/sq m)	950 (high)		850 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	850 (high)		700 (low)	
Land Values 10 ha and above (\$/sq m)	800 (high)		700 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

North Western Sydney

Seven Hills, Kings Park, Blacktown, Marsden Park, Baulkham Hills

North Western Sydney	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	115	150	95	110
Incentives (%)	15	25	10	20
Yield - Market (%) *	4.00	4.50	4.75	5.75
IRR (%)	6.00	6.50	6.50	6.75
Outgoings - Total (\$/sq m)	25.00	35.00	25.00	35.00
Capital Values (\$/sq m)	2,600	3,800	1,800	2,300
Land Values 3,000 - 5,000 sq m (\$/sq m)	1,000 (high)		800 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	750 (high)		650 (low)	
Land Values 10 ha and above (\$/sq m)	700 (high)		600 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

Victoria

VIC Economic Drivers (%)

	As at	AUS	VIC
SFD / GDP Growth	Dec-20	-1.1 (2.2)	-3.5 (2.2)
Population Growth	Sep-20	0.9 (1.5)	0.8 (2.0)
Employment Growth	Feb-21	0.0 (1.5)	0.1 (2.0)
Unemployment Rate	Feb-21	6.6 (5.6)	6.7 (5.7)
Inflation	Dec-20	0.9 (1.9)	1.3 (2.0)
Retail Trade Growth	Jan-21	11.2 (4.2)	9.2 (4.3)
Job Ad Growth - Total	Feb-21	-15.3 (-3.1)	-27.7 (-3.6)
Job Ad Growth - Industrial	Feb-21	-5.5 (-2.0)	-21.5 (-2.9)
House Price Growth	Dec-20	3.2 (3.6)	0.0 (3.7)
Apartment Price Growth	Dec-20	3.0 (2.8)	3.1 (2.8)
DA Approvals - Industrial	Feb-21	-10.4 (5.9)	-22.0 (8.7)
Earnings Growth	May-20	4.4 (3.1)	6.0 (3.4)

Source: ABS/Savills Research Note: 10yr average shown in brackets



West

Altona, Derrimut, Laverton North, Sunshine, Truganina

West	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	77.5	90	60	70
Incentives (%)	20	30	17.5	25
Yield - Market (%) *	4.25	5.25	5.50	6.25
IRR (%)	6.00	6.25	6.25	6.50
Outgoings - Total (\$/sq m)	13.00	17.00	11.00	17.00
Capital Values (\$/sq m)	1,500	2,100	1,000	1,300
Land Values 3,000 - 5,000 sq m (\$/sq m)	425 (high)		350 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	375 (high)		250 (low)	
Land Values 10 ha and above (\$/sq m)	250 (high)		200 (low)	
Englobo Land Values (\$/sq m)	120 (high)		90 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

South Eastern

Braeside, Carrum Downs, Dandenong, Keysborough, Moorabbin

South Eastern	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	87.5	97.5	70	80
Incentives (%)	15	25	15	20
Yield - Market (%) *	4.25	5.00	5.25	6.00
IRR (%)	6.00	6.25	6.25	6.75
Outgoings - Total (\$/sq m)	15.00	19.00	13.00	16.00
Capital Values (\$/sq m)	1,800	2,300	1,300	1,600
Land Values 3,000 - 5,000 sq m (\$/sq m)	600 (high)		500 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	425 (high)		350 (low)	
Land Values 10 ha and above (\$/sq m)	325 (high)		275 (low)	
Englobo Land Values (\$/sq m)	200 (high)		140 (low)	

City Fringe

Port Melbourne

Outer South West Sydney	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	110	160	80	95
Incentives (%)	5	15	5	15
Yield - Market (%) *	4.25	5.00	5.00	5.75
IRR (%)	6.00	6.25	6.25	6.75
Outgoings - Total (\$/sq m)	27.50	42.50	27.50	42.50
Capital Values (\$/sq m)	2,000	3,400	1,300	1,700
Land Values 3,000 - 5,000 sq m (\$/sq m)	1,700 (high)		1,400 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	1,250 (high)		900 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

East

Mulgrave, Clayton, Rowville, Scoresby, Notting Hill, Knoxfield

East	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	90	100	80	90
Incentives (%)	15	20	15	20
Yield - Market (%) *	4.25	5.00	5.25	6.00
IRR (%)	6.00	6.25	6.25	7.00
Outgoings - Total (\$/sq m)	15.00	20.00	13.00	16.00
Capital Values (\$/sq m)	1,800	2,400	1,350	1,700
Land Values 3,000 - 5,000 sq m (\$/sq m)	850 (high)		750 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	600 (high)		550 (low)	

North

Broadmeadows, Epping, Somerton, Thomastown, Tullamarine

North	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	72.5	82.5	57.5	67.5
Incentives (%)	17.5	30	15	25
Yield - Market (%) *	4.50	5.25	5.50	6.50
IRR (%)	6.00	6.50	6.50	7.25
Outgoings - Total (\$/sq m)	15.00	17.00	12.00	17.00
Capital Values (\$/sq m)	1,400	1,800	900	1,200
Land Values 3,000 - 5,000 sq m (\$/sq m)	500 (high)		325 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	425 (high)		325 (low)	
Land Values 10 ha and above (\$/sq m)	250 (high)		200 (low)	
Englobo Land Values (\$/sq m)	175 (high)		125 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

Queensland

QLD Economic Drivers (%)

	As at	AUS	QLD
SFD / GDP Growth	Dec-20	-1.1 (2.2)	2.3 (1.8)
Population Growth	Sep-20	0.9 (1.5)	1.4 (1.6)
Employment Growth	Feb-21	0.0 (1.5)	1.3 (1.5)
Unemployment Rate	Feb-21	6.6 (5.6)	7.3 (6.2)
Inflation	Dec-20	0.9 (1.9)	1.0 (1.9)
Retail Trade Growth	Jan-21	11.2 (4.2)	13.5 (4.5)
Job Ad Growth - Total	Feb-21	-15.3 (-3.1)	-6.4 (-2.9)
Job Ad Growth - Industrial	Feb-21	-5.5 (-2.0)	2.9 (-2.3)
House Price Growth	Dec-20	3.2 (3.6)	-4.5 (2.3)
Apartment Price Growth	Dec-20	3.0 (2.8)	4.0 (0.7)
DA Approvals - Industrial	Feb-21	-10.4 (5.9)	-23.9 (5.0)
Earnings Growth	May-20	4.4 (3.1)	4.0 (2.9)

Source: ABS/Savills Research Note: 10yr average shown in brackets

Northside

Zillmere, Geebung, Northgate, Banyo, Virginia, Morayfield, Caboolture, Brendale, Strathpine, Petrie, North Lakes, Burpengary, Deception Bay and Narangba

Northside	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	110	140	65	100
Incentives (%)	10	20	8	17
Yield - Market (%) *	4.75	5.50	6.75	7.75
IRR (%)	6.00	6.50	6.50	7.25
Outgoings - Total (\$/sq m)	20.00	25.00	15.00	20.00
Capital Values (\$/sq m)	2,000	2,900	1,150	1,500
Land Values 3,000 - 5,000 sq m (\$/sq m)	450 (high)		275 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	275 (high)		200 (low)	
Land Values 10 ha and above (\$/sq m)	150 (high)		80 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

TradeCoast

Hendra, Eagle Farm, Pinkenba, Morningside, Murarrie, Hemmant, Lytton, Fisherman Island, Tingalpa, Wakerley, Cannon Hill

TradeCoast	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	115	150	90	110
Incentives (%)	10	20	8	17
Yield - Market (%) *	4.50	5.25	6.50	7.50
IRR (%)	6.00	6.25	6.25	7.00
Outgoings - Total (\$/sq m)	25.00	30.00	20.00	25.00
Capital Values (\$/sq m)	2,200	3,300	1,250	1,700
Land Values 3,000 - 5,000 sq m (\$/sq m)	750 (high)		400 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	500 (high)		300 (low)	
Land Values 10 ha and above (\$/sq m)	280 (high)		180 (low)	

Southside

Yeerongpilly, Salisbury, Rocklea, Archerfield, Willawong, Acacia Ridge, Coopers Plains, Eight Mile Plains, Rochedale, Seventeen Mile Rocks, Sumner, Darra, Oxley, Wacol, Carole Park, Richlands, Shailer Park, Slacks Creek, Springwood

North	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	105	130	65	100
Incentives (%)	15	25	15	25
Yield - Market (%) *	4.75	5.50	6.75	7.75
IRR (%)	6.00	6.50	6.50	7.25
Outgoings - Total (\$/sq m)	20.00	25.00	15.00	20.00
Capital Values (\$/sq m)	1,900	2,700	900	1,500
Land Values 3,000 - 5,000 sq m (\$/sq m)	420 (high)		300 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	300 (high)		225 (low)	
Land Values 10 ha and above (\$/sq m)	225 (high)		100 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

M1 / Logan Motorway Corridor

Crestmead, Marsden, Browns Plains, Meadowbrook, Berrinba, Loganlea, Loganholme, Heathwood, Larapinta, Parkinson, Underwood, Springwood, Yatala, Stapylton, Kingston, Beenleigh, Eagleby, Hillcrest

M1 / Logan Motorway Corridor	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	100	120	70	95
Incentives (%)	15	25	15	25
Yield - Market (%) *	4.50	5.50	6.25	7.25
IRR (%)	6.00	6.50	6.50	7.25
Outgoings - Total (\$/sq m)	20.00	25.00	15.00	20.00
Capital Values (\$/sq m)	1,800	2,700	1,000	1,500
Land Values 3,000 - 5,000 sq m (\$/sq m)	390 (high)		300 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	300 (high)		225 (low)	
Land Values 10 ha and above (\$/sq m)	250 (high)		100 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

West

Goodna, Springfield, Redbank, Bremer, Ebenezer, Willowbank, Mutdapilly, Purga, Swanbank, Ipswich, New Chum, Wulkuraka, Amberley, Bundamba, Raceview, West Ipswich

West	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	100	120	65	95
Incentives (%)	15	22	15	25
Yield - Market (%) *	5.00	6.00	7.00	8.00
IRR (%)	6.50	7.00	7.25	8.00
Outgoings - Total (\$/sq m)	20.00	25.00	15.00	20.00
Capital Values (\$/sq m)	1,700	2,400	900	1,400
Land Values 3,000 - 5,000 sq m (\$/sq m)	330 (high)		270 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	250 (high)		150 (low)	
Land Values 10 ha and above (\$/sq m)	225 (high)		100 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

Western Australia

WA Economic Drivers (%)

	As at	AUS	WA
SFD / GDP Growth	Dec-20	-1.1 (2.2)	1.2 (0.6)
Population Growth	Sep-20	0.9 (1.5)	1.4 (1.5)
Employment Growth	Feb-21	0.0 (1.5)	-0.9 (1.2)
Unemployment Rate	Feb-21	6.6 (5.6)	6.9 (5.5)
Inflation	Dec-20	0.9 (1.9)	-0.1 (1.5)
Retail Trade Growth	Jan-21	11.2 (4.2)	16.4 (4.3)
Job Ad Growth - Total	Feb-21	-15.3 (-3.1)	4.3 (-3.3)
Job Ad Growth - Industrial	Feb-21	-5.5 (-2.0)	13.7 (0.3)
House Price Growth	Dec-20	3.2 (3.6)	3.9 (0.4)
Apartment Price Growth	Dec-20	3.0 (2.8)	3.2 (-0.4)
DA Approvals - Industrial	Feb-21	-10.4 (5.9)	-6.5 (-2.3)
Earnings Growth	May-20	4.4 (3.1)	2.8 (2.9)

Source: ABS/Savills Research Note: 10yr average shown in brackets



Perth Core

Belmont, Canning Vale, Kewdale, Welshpool, Jandakot Airport, Perth Airport (excludes Osborne Park)

Perth Core	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	85	115	60	90
Incentives (%)	5	20	10	20
Yield - Market (%) *	5.50	6.50	6.25	7.75
IRR (%)	7.00	8.00	7.50	8.50
Outgoings - Total (\$/sq m)	22.50	35.00	17.50	30.00
Capital Values (\$/sq m)	1,250	2,000	750	1,500
Land Values 3,000 - 5,000 sq m (\$/sq m)	500 (high)		350 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	400 (high)		275 (low)	
Land Values 10 ha and above (\$/sq m)	300 (high)		200 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

Perth North

Balcatta, Joondalup, Malaga, Wangara, Landsdale

Perth North	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	70	110	55	85
Incentives (%)	5	20	10	20
Yield - Market (%) *	5.75	6.75	6.25	8.25
IRR (%)	7.25	8.25	7.50	8.50
Outgoings - Total (\$/sq m)	20.00	30.00	15.00	30.00
Capital Values (\$/sq m)	1,200	1,900	800	1,400
Land Values 3,000 - 5,000 sq m (\$/sq m)	500 (high)		275 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	400 (high)		200 (low)	
Land Values 10 ha and above (\$/sq m)	275 (high)		125 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

Perth East

Kenwick, Forrestfield, Maddington, Hazelmere, Bayswater, Bassendean, South Guildford

Perth East	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	85	115	60	90
Incentives (%)	5	20	10	20
Yield - Market (%) *	5.50	6.50	6.25	7.75
IRR (%)	7.00	8.00	7.50	8.50
Outgoings - Total (\$/sq m)	22.50	35.00	17.50	30.00
Capital Values (\$/sq m)	1,250	2,000	750	1,500
Land Values 3,000 - 5,000 sq m (\$/sq m)	500 (high)		325 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	400 (high)		250 (low)	
Land Values 10 ha and above (\$/sq m)	300 (high)		175 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

Perth South

Bibra Lake, Forrestdale, Henderson, Jandakot, Kwinana, Naval Base, O'Connor, Rockingham, Latitude32

Perth South	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	75	110	55	90
Incentives (%)	5	20	10	20
Yield - Market (%) *	6.00	7.25	6.50	8.25
IRR (%)	7.50	8.50	7.75	8.75
Outgoings - Total (\$/sq m)	17.50	30.00	17.50	30.00
Capital Values (\$/sq m)	1,000	1,800	800	1,400
Land Values 3,000 - 5,000 sq m (\$/sq m)	400 (high)		250 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	325 (high)		175 (low)	
Land Values 10 ha and above (\$/sq m)	225 (high)		125 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

South Australia

SA Economic Drivers (%)

	As at	AUS	SA
SFD / GDP Growth	Dec-20	-1.1 (2.2)	0.0 (1.4)
Population Growth	Sep-20	0.9 (1.5)	0.8 (0.8)
Employment Growth	Feb-21	0.0 (1.5)	-0.6 (0.5)
Unemployment Rate	Feb-21	6.6 (5.6)	7.2 (6.3)
Inflation	Dec-20	0.9 (1.9)	1.0 (1.9)
Retail Trade Growth	Jan-21	11.2 (4.2)	8.8 (3.1)
Job Ad Growth - Total	Feb-21	-15.3 (-3.1)	2.3 (-3.5)
Job Ad Growth - Industrial	Feb-21	-5.5 (-2.0)	7.5 (-4.1)
House Price Growth	Dec-20	3.2 (3.6)	6.5 (2.3)
Apartment Price Growth	Dec-20	3.0 (2.8)	9.6 (2.1)
DA Approvals - Industrial	Feb-21	-10.4 (5.9)	75.7 (9.5)
Earnings Growth	May-20	4.4 (3.1)	3.0 (2.9)

Source: ABS/Savills Research Note: 10yr average shown in brackets

Inner West

Beverley, Thebarton, Adelaide Airport, Hindmarsh

Inner West	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	90	140	50	80
Incentives (%)	10	20	10	20
Yield - Market (%) *	5.25	6.25	6.50	7.50
IRR (%)	6.50	7.50	7.75	8.75
Outgoings - Total (\$/sq m)	20.00	30.00	15.00	20.00
Capital Values (\$/sq m)	1,400	2,700	700	1,200
Land Values 3,000 - 5,000 sq m (\$/sq m)	500 (high)		300 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

North West

Regency Park, Wingfield, Port Adelaide, Gillman, Dry Creek, Outer Harbor

TradeCoast	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	85	125	40	75
Incentives (%)	10	20	10	20
Yield - Market (%) *	5.50	6.50	6.75	7.75
IRR (%)	6.75	7.75	8.00	8.75
Outgoings - Total (\$/sq m)	15.00	25.00	15.00	20.00
Capital Values (\$/sq m)	1,300	2,000	500	1,100
Land Values 3,000 - 5,000 sq m (\$/sq m)	275 (high)		150 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	175 (high)		100 (low)	

North

Edinburgh, Burton, Salisbury, Direk

North	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	70	100	50	65
Incentives (%)	15	25	15	25
Yield - Market (%) *	5.50	6.50	7.00	8.00
IRR (%)	6.75	7.75	8.00	9.00
Outgoings - Total (\$/sq m)	15.00	25.00	10.00	15.00
Capital Values (\$/sq m)	1,100	1,800	600	900
Land Values 3,000 - 5,000 sq m (\$/sq m)	120 (high)		70 (low)	
Land Values 10,000 - 50,000 sq m (\$/sq m)	80 (high)		50 (low)	
Land Values 10 ha and above (\$/sq m)	35 (high)		30 (low)	

South West

Edwardstown, St Marys, Plympton

Edwardstown, St Marys	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	85	130	50	80
Incentives (%)	10	20	10	20
Yield - Market (%) *	5.50	6.50	6.50	7.50
IRR (%)	7.00	7.75	7.75	8.75
Outgoings - Total (\$/sq m)	15.00	25.00	15.00	20.00
Capital Values (\$/sq m)	1,300	2,400	700	1,200
Land Values 3,000 - 5,000 sq m (\$/sq m)	500 (high)		300 (low)	

South

Lonsdale, Seaford

South	Prime		Secondary	
	Low	High	Low	High
Rental Net Face (\$/sq m)	60	90	45	60
Incentives (%)	10	20	10	20
Yield - Market (%) *	6.50	7.50	7.75	8.75
IRR (%)	7.50	8.75	8.75	9.75
Outgoings - Total (\$/sq m)	15.00	25.00	12.50	17.50
Capital Values (\$/sq m)	800	1,400	500	800
Land Values 3,000 - 5,000 sq m (\$/sq m)	125 (high)		50 (low)	

Source: Savills Research; Assumption: Lands values are quoted on a 'serviced and benched' gross land area basis; *Equated yield

