

Savills Research - Q2 2021



Quarter Time

National Office

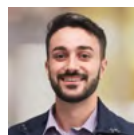


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National Markets Summary – A Grade

	NF Rent	NE Rent	Market Yield	IRR	Cap. Value
Sydney CBD	1,100 (-)	660 (-5.7%)	4.70 (-)	6.20 (-20bps)	19,800 (-)
Melbourne CBD	640 (-)	400 (-10.1%)	4.75 (-)	6.15 (-25bps)	12,500 (-)
Brisbane CBD	585 (0.9%)	275 (-14.1%)	5.50 (-)	6.45 (-10bps)	10,800 (-)
Perth CBD	600 (-)	300 (-3.2%)	6.50 (-)	7.15 (-)	9,000 (-)
Adelaide CBD	415 (1.2%)	240 (-5.9%)	6.25 (-)	7.00 (-50bps)	6,000 (3.4%)
Canberra Civic	385 (-1.3%)	280 (-3.4%)	5.50 (-)	6.40 (-35bps)	7,400 (-)
North Sydney	850 (-)	555 (-7.5%)	5.15 (-10bps)	6.40 (-10bps)	16,000 (-1.8%)
Macquarie Park	410 (6.5%)	265 (-5.4%)	5.40 (-10bps)	6.40 (-35bps)	8,400 (15.1%)
Parramatta	565 (-)	410 (-5.7%)	5.15 (-10bps)	6.40 (-25bps)	11,800 (9.3%)
St Kilda Rd	450 (-6.3%)	280 (-16.4%)	5.25 (10bps)	6.40 (-)	8,000 (-9.1%)
Melbourne Suburban	490 (-5.8%)	305 (-16.4%)	5.65 (-)	6.25 (-40bps)	9,300 (-2.1%)
Brisbane Fringe	495 (-2.9%)	230 (-17.9%)	5.75 (-15bps)	6.65 (-10bps)	9,300 (-)
Sunshine Coast	350 (7.7%)	280 (7.7%)	7.25 (-15bps)	9.75 (-)	4,500 (-)
Gold Coast	340 (-)	250 (-)	7.00 (-50bps)	9.50 (-)	4,800 (-)
West Perth	360 (5.9%)	200 (8.1%)	6.50 (-75bps)	7.50 (-)	5,600 (1.8%)
Adelaide Fringe	365 (1.4%)	245 (-9.3%)	6.40 (-10bps)	6.90 (-50bps)	5,800 (9.4%)
Canberra non-Civic	370 (1.4%)	240 (2.1%)	5.90 (-10bps)	6.75 (-50bps)	6,400 (-)

Source: Savills Research

Executive Summary

The Office sector has proven to be resilient through the pandemic. Capital values have remained unchanged the last 12 months, a reflection of how Australia handled the COVID-19 pandemic generally, which ultimately increased investor confidence in the office sector.

After occupier demand collapsed in 2020 as a direct result of the pandemic, 2021 saw the green shoots of a recovery in demand as lockdowns and covid-19 related restrictions have lifted. This trend is expected to continue into the second half of 2021 as workers continue to return to work. Canberra appears to have been the most resilient market throughout the pandemic. Due to its high exposure to Government occupiers, the market is more impacted by Commonwealth Public Service tenant demand rather than purely from economic drivers. In a year which was forecast to be challenging due to the large supply side additions, particularly in Melbourne and to a lesser degree in Sydney, the impact of the fall in demand from occupiers has magnified the imbalance.

From a capital perspective, following an extended period of yield compression over the last 2-3 years, average A grade office yields across the nations CBD's remained stable throughout H1 2021.

Going forward, we expect to see benchmarks reflect property specific income risk which in turn will highlight the differences in quality of asset and particularly quality of tenant covenant. Quality, prime grade assets, with long WALE's backed with high quality tenants will continue to be at the forefront of investor attention, and we anticipate that secondary yields will suffer as a consequence of this.

After a year of record highs in 2019, 2020 saw office transaction volumes fall drastically with some pending sales not proceeding and other properties not being brought to the market as expected following the uncertainty that surrounded office values since the pandemic. The 12 months to June 2021 saw \$10.97 billion of office transactions nationally (\$5m+), which was a 43% decrease on the \$19.3 billion in the previous 12 months. Positively, transaction volumes have picked up in the last two quarters as workers begin to return to the CBD's and sentiment around the asset class starts to lift. With a significant spread between property yields and 10-year bonds being maintained, and the cost of debt remaining at historical low levels, an argument is presented for further cap rate compression for core, defensively posited assets.

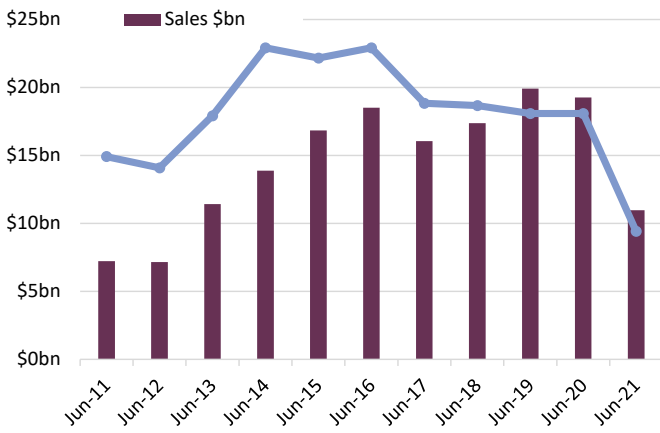
Economic Indicators Summary

Key State Indicators (%)	Latest	AUS	NSW	VIC	QLD	WA	SA
SFD / GDP Growth	Mar-21	1.1 (2.6)	1.9 (2.6)	-0.3 (2.9)	3.0 (1.8)	3.8 (1.6)	2.6 (2.0)
Population Growth	Dec-20	0.5 (1.5)	0.4 (1.3)	0.0 (1.9)	1.1 (1.6)	0.9 (1.4)	0.5 (0.8)
Employment Growth	May-21	8.1 (1.6)	7.9 (1.7)	6.5 (2.1)	12.0 (1.6)	8.6 (1.2)	7.4 (0.8)
Unemployment Rate	May-21	5.1 (5.6)	5.0 (5.2)	4.8 (5.8)	5.4 (6.2)	4.7 (5.5)	5.8 (6.3)
Inflation	Mar-21	1.1 (1.8)	0.9 (1.9)	0.8 (1.9)	1.7 (1.8)	1.0 (1.6)	1.2 (1.8)
Job Ad Growth - Total	Apr-21	8.3 (-1.9)	3.0 (-1.8)	-3.0 (-1.9)	17.0 (-1.9)	28.8 (-2.4)	28.8 (-2.1)
Job Ad Growth - Office	Apr-21	2.1 (-1.3)	1.0 (-1.4)	-1.6 (-0.4)	0.8 (-2.1)	11.3 (-3.7)	10.4 (-0.2)
DA Approvals - Office	Apr-21	-20.4 (3.6)	30.4 (6.4)	-39.4 (4.4)	-40.3 (1.0)	-69.4 (-5.3)	74.3 (3.1)

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

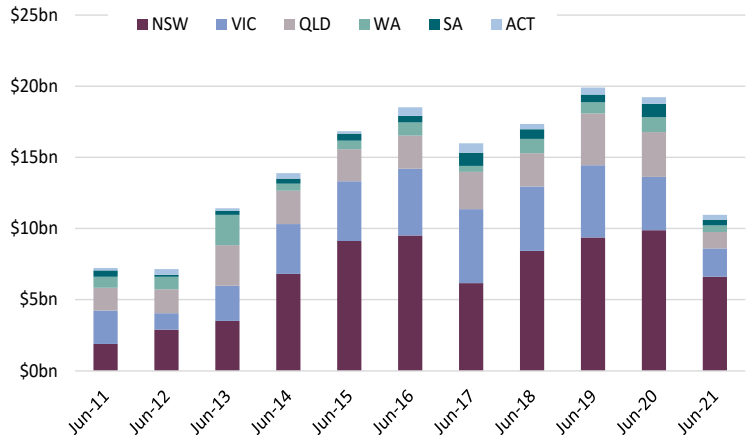
Office Sales Metrics

National Sales Volumes (\$5m+)



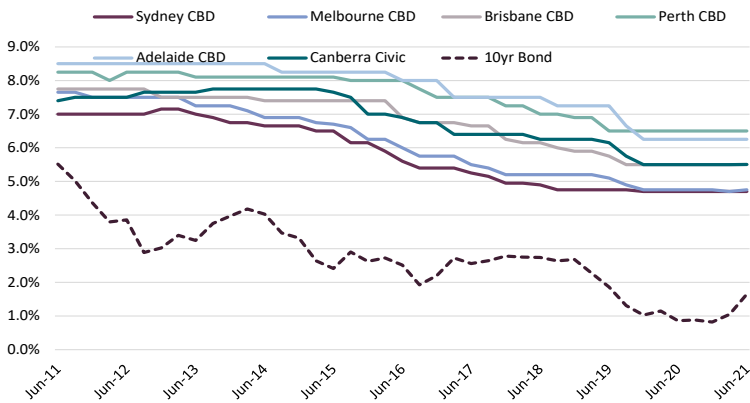
Source: Savills Research

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



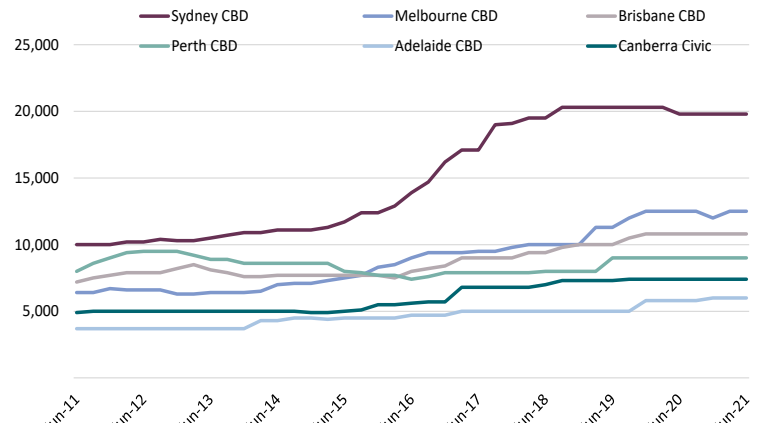
Source: Savills Research

A Grade Market Yield & 10 year Bond



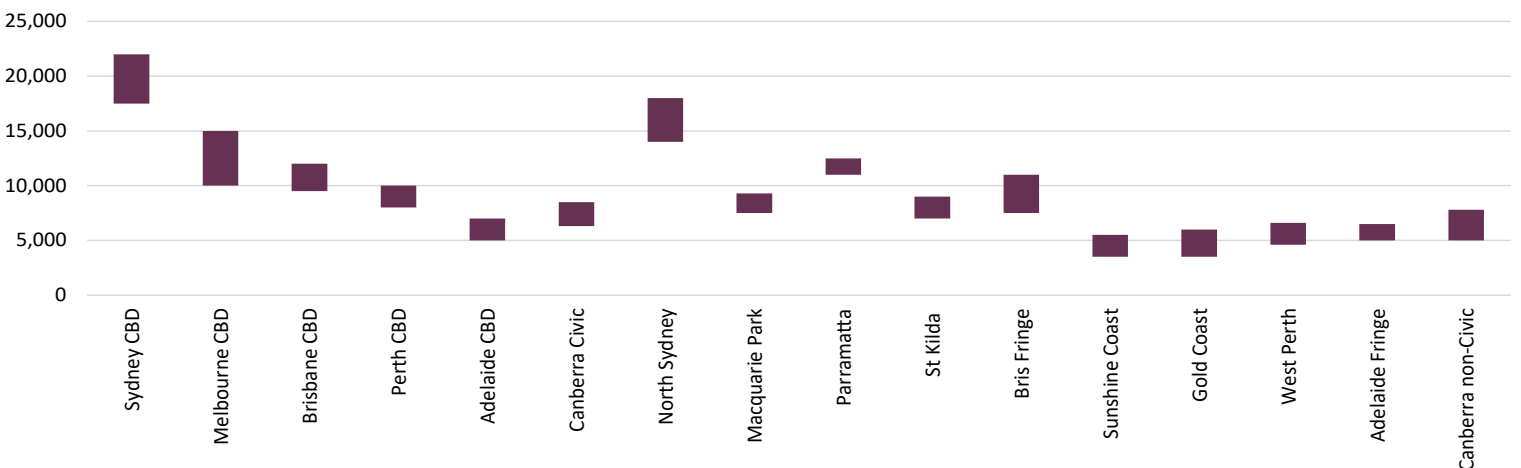
Source: Savills/RBA

A Grade Capital Values (\$/sqm)



Source: Savills Research

Capital Value Range - A Grade (Jun-21)



Source: Savills Research

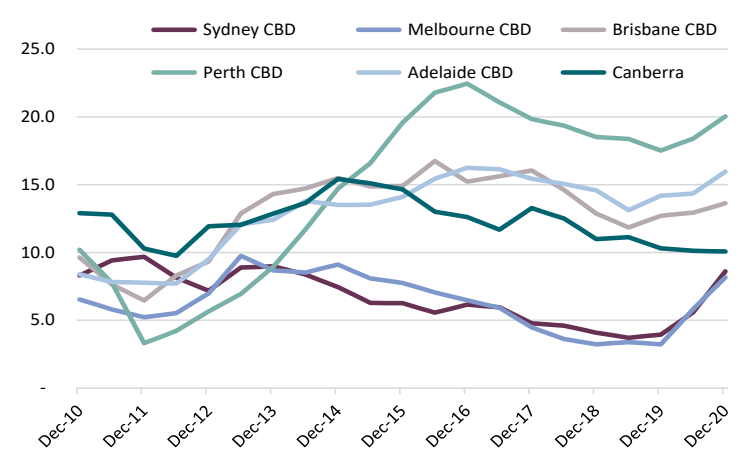
Office Leasing Metrics

Total Vacancy CBD Markets (%)



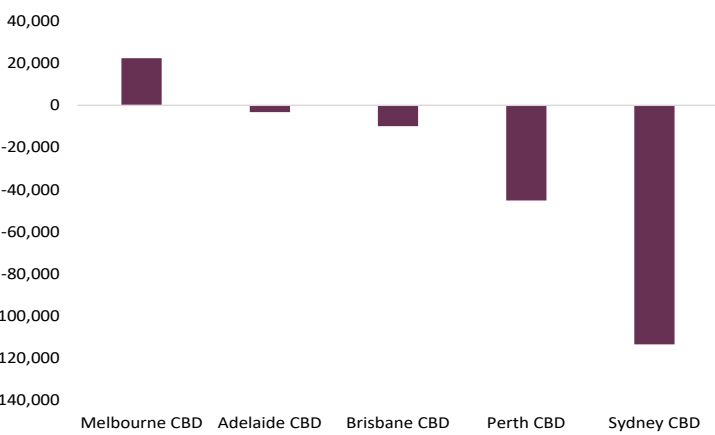
Source: PCA

Historical Vacancy (%)



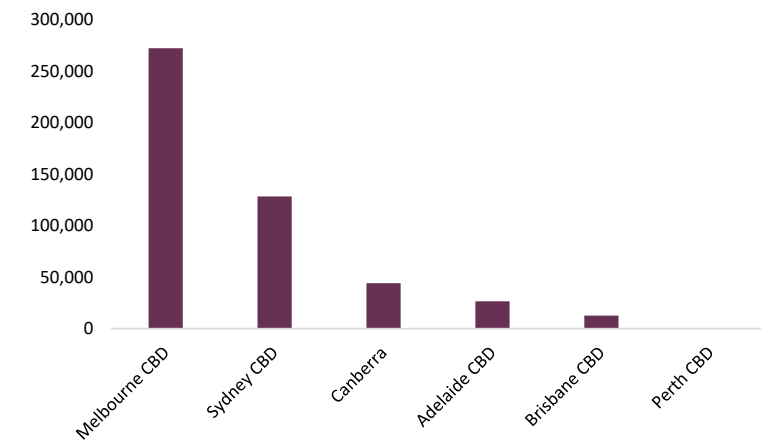
Source: PCA

12 Month Net Absorption (sqm)



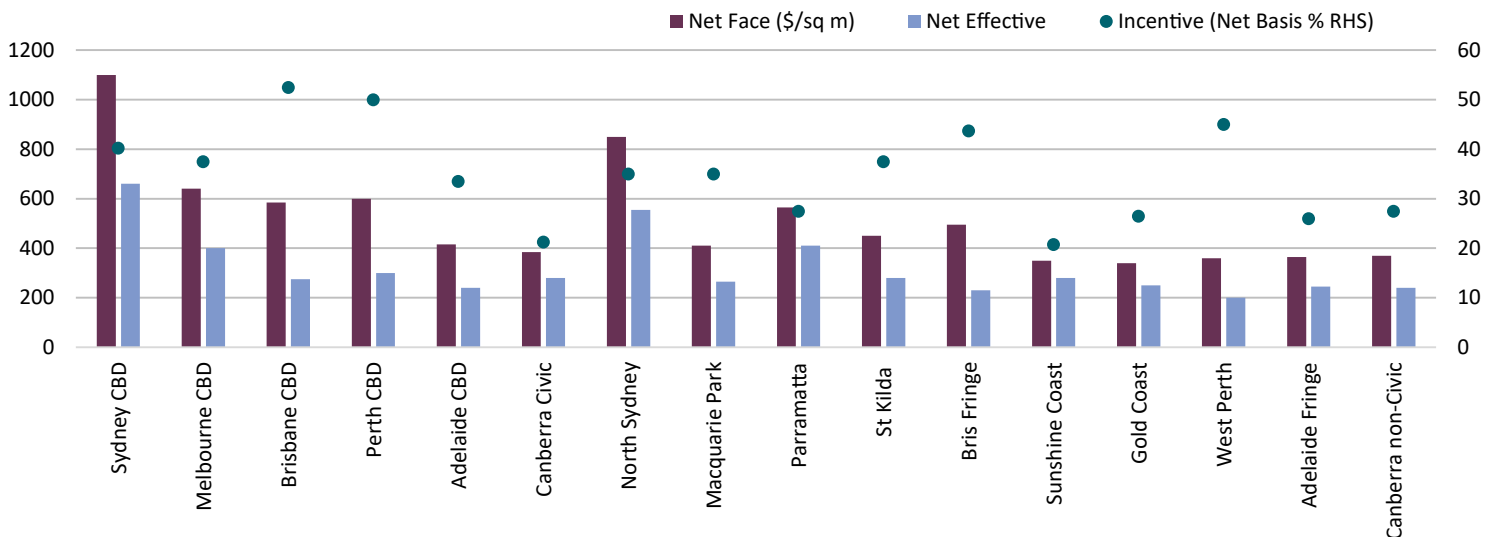
Source: PCA

Net Additions (Rolling 12mo)



Source: PCA

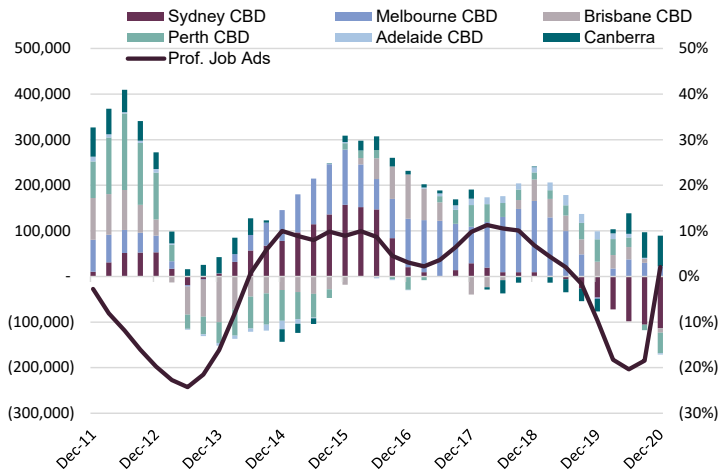
Net Face, Effective Rents & Incentives (Jun-21)



Source: Savills Research

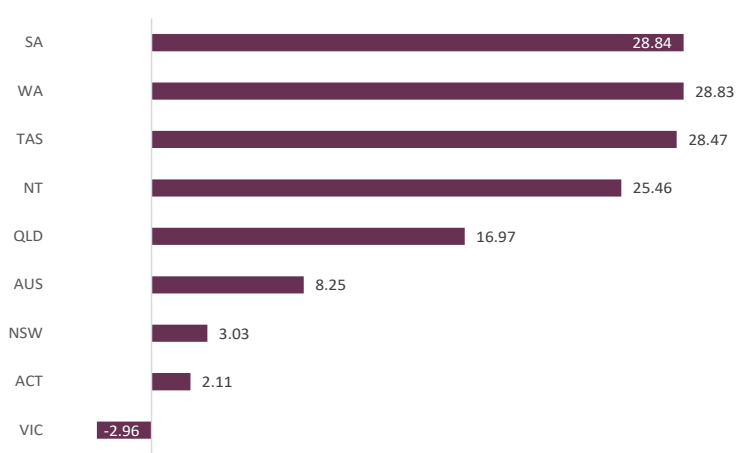
Office Sector Economic Drivers

Net Absorption vs. Growth in Prof. Job Advertisements



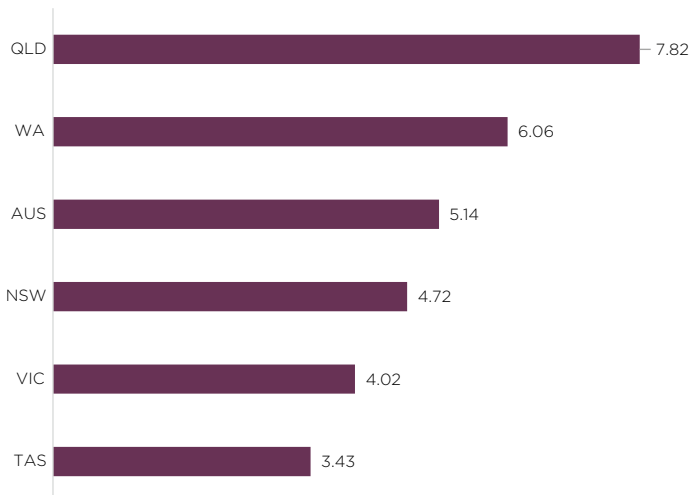
Source: PCA/DEEWR

Annual Growth in Professional Job Advertisements - % (to Apr-21)



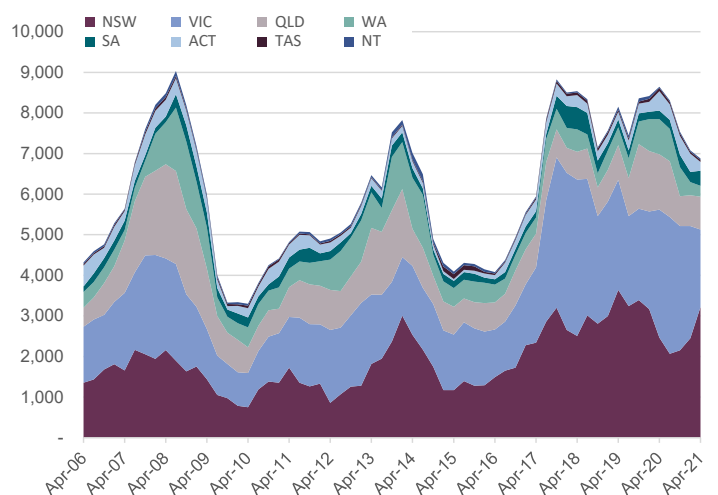
Source: DEEWR

Annual Growth in Employment (%)



Source: ABS

Development Approvals - Office



Source: ABS



New South Wales

	PCA OMR Statistics (Dec-20)				
	Sydney CBD	North Sydney	Parramatta	Macquarie Park	AUS CBD
Total Stock	5,082,117	922,793	809,526	904,710	18,414,966
Total Vacancy	437,250	180,377	51,623	87,281	1,807,416
Vacancy (%)	8.6 (6.7)	19.5 (8.5)	6.4 (5.8)	9.6 (7.7)	11.1 (9.6)
Net Absorption (12m)	-113,346 (20,521)	-15,605 (-2,985)	13,710 (13,907)	-2,004 (8,761)	-85,567 (130,682)
Net Absorption (%)	-2.4 (0.5)	-2.1 (-0.4)	1.8 (2.0)	-0.2 (1.1)	-0.5 (0.8)
Stock Additions	132,891	102,256	44,363	49,874	640,697
Stock Withdrawals	4,550	-	3,258	4,198	123,844
Net Additions	128,341 (24,014)	102,256 (6,152)	41,105 (12,491)	45,676 (9,469)	516,853 (190,421)
Net Additions (%)	2.6 (0.5)	12.5 (0.7)	5.3 (1.7)	5.3 (1.1)	2.9 (1.1)

Source: PCA / Savills Research Note: 10yr Average shown in brackets

Sydney CBD Key Indicators

Sydney CBD	Premium		A Grade		B Grade	
	Low	High	Low	High	Low	High
Rental - Gross Face (\$/sq m)	1,455	1,755	1,210	1,410	925	1,175
Rental - Net Face (\$/sq m)	1,200	1,500	1,000	1,200	750	1,000
Incentive Level - Gross	32.5%	35.0%	32.5%	35.0%	32.5%	37.5%
Rental - Net Effective (\$/sqm)	710	910	590	725	425	590
Outgoings - Operating (\$/sqm)	170	180	135	140	95	120
Outgoings - Statutory (\$/sqm)	70	90	60	80	55	75
Outgoings - Total (\$/sqm)	240	270	195	220	150	195
Typical Lease Term (yrs)	5	8	4	7	2	5
Yield - Market (%)	4.25	4.75	4.38	5.00	4.75	5.50
IRR (%)	6.00	6.25	6.00	6.38	6.25	6.75
Cars Permanent Reserved (\$/pcm)	1,000	1,400	800	950	720	790
Cars Permanent (\$/pcm)	0	0	0	0	0	0
Capital Values (\$/sqm)	22,500	30,000	17,500	22,000	13,000	19,000

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

North Shore- Key Indicators

North Shore	North Sydney A Grade		North Sydney B Grade		Macquarie Park A Grade	
	Low	High	Low	High	Low	High
Rental - Gross Face (\$/sq m)	905	1,105	820	920	495	560
Rental - Net Face (\$/sq m)	750	950	675	775	375	440
Incentive Level - Net	32.5%	37.5%	32.5%	37.5%	32.5%	37.5%
Rental - Net Effective (\$/sqm)	490	620	440	505	245	285
Outgoings - Operating (\$/sqm)	100	120	90	110	70	90
Outgoings - Statutory (\$/sqm)	40	45	40	45	35	45
Outgoings - Total (\$/sqm)	140	165	130	155	105	135
Typical Lease Term (yrs)	3	6	2	5	5	8
Yield - Market (%)	4.75	5.50	5.25	6.00	5.00	5.75
IRR (%)	6.25	6.50	6.50	7.00	6.13	6.63
Cars Permanent Reserved (\$/pcm)	675	800	550	650	225	275
Cars Permanent (\$/pcm)	600	700	500	600	0	0
Capital Values (\$/sqm)	14,000	18,000	11,500	14,000	7,500	9,250

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Parramatta - Key Indicators

Parramatta	Premium		A Grade		B Grade	
	Low	High	Low	High	Low	High
Rental - Gross Face (\$/sq m)	730	780	675	700	575	625
Rental - Net Face (\$/sq m)	600	650	550	575	450	500
Incentive Level - Net	25.0%	30.0%	25.0%	30.0%	25.0%	30.0%
Rental - Net Effective (\$/sqm)	435	470	400	415	325	365
Outgoings - Operating (\$/sqm)	75	90	70	85	75	85
Outgoings - Statutory (\$/sqm)	40	50	40	50	40	45
Outgoings - Total (\$/sqm)	115	140	110	135	115	130
Typical Lease Term (yrs)	5	10	5	7	3	5
Yield - Market (%)	4.75	5.00	5.00	5.25	5.50	6.00
IRR (%)	6.00	6.50	6.25	6.50	6.50	6.75
Cars Permanent Reserved (\$/pcm)	350	400	350	375	325	375
Cars Permanent (\$/pcm)			250	300	225	275
Capital Values (\$/sqm)	12,000	14,000	11,000	12,500	9,000	11,000

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Victoria

PCA OMR Statistics (Dec-20)

	Melbourne CBD	St Kilda Rd	Southbank	East Melbourne	AUS CBD
Total Stock	4,881,286	638,887	445,840	166,726	18,414,966
Total Vacancy	398,830	82,702	54,633	6,787	1,807,416
Vacancy (%)	8.2 (6.3)	12.9 (10.3)	12.3 (7.7)	4.1 (2.8)	11.1 (9.6)
Net Absorption (12m)	22,397 (65,740)	-32,079 (-8,518)	-12,196 (-1,071)	-12,947 (-1,397)	-85,567 (130,682)
Net Absorption (%)	0.5 (1.6)	-5.5 (-1.4)	-3.0 (-0.3)	-7.5 (-0.8)	-0.5 (0.8)
Stock Additions	351,929	-	1,114	-	640,697
Stock Withdrawals	79,567	5,270	2,143	10,385	123,844
Net Additions	272,362 (78,883)	-5,270 (-10,688)	-1,029 (1,387)	-10,385 (-1,706)	516,853 (190,421)
Net Additions (%)	5.9 (1.8)	-0.8 (-1.5)	-0.2 (0.3)	-5.9 (-1.0)	2.9 (1.1)

Source: PCA / Savills Research Note: 10yr Average shown in brackets

Melbourne CBD Key Indicators

Melbourne CBD (City Core)	Premium		A Grade		B Grade	
	Low	High	Low	High	Low	High
Rental - Gross Face (\$/sq m)	850	1,150	730	905	565	685
Rental - Net Face (\$/sq m)	650	950	550	725	400	520
Incentive Level - Net	32.5%	42.5%	32.5%	42.5%	32.5%	42.5%
Rental - Net Effective (\$/sqm)	405	595	345	455	250	325
Outgoings - Operating (\$/sqm)	105	130	95	115	90	110
Outgoings - Statutory (\$/sqm)	65	95	65	80	55	75
Outgoings - Total (\$/sqm)	170	225	160	195	145	185
Typical Lease Term (yrs)	5	8	4	8	2	5
Yield - Market (%)	4.25	4.75	4.50	5.00	5.00	5.50
IRR (%)	6.00	6.25	6.00	6.25	6.25	6.75
Cars Permanent Reserved (\$/pcm)	500	800	500	650	400	550
Cars Permanent (\$/pcm)	400	650	400	600	400	550
Capital Values (\$/sqm)	13,000	21,000	10,000	15,000	8,000	10,000

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Melbourne – St Kilda Rd Key Indicators

Melbourne – St Kilda Rd	A Grade		B Grade	
	Low	High	Low	High
Rental - Gross Face (\$/sq m)	555	635	455	540
Rental - Net Face (\$/sq m)	410	490	325	410
Incentive Level - Net	32.5%	42.5%	32.5%	42.5%
Rental - Net Effective (\$/sqm)	255	305	205	255
Outgoings - Operating (\$/sqm)	72	82	67	77
Outgoings - Statutory (\$/sqm)	63	70	53	65
Outgoings - Total (\$/sqm)	135	152	120	142
Typical Lease Term (yrs)	2	6	2	5
Yield - Market (%)	5.00	5.50	5.25	6.25
IRR (%)	6.25	6.50	6.50	6.75
Cars Permanent Reserved (\$/pcm)	310	340	280	320
Cars Permanent (\$/pcm)	0	0	0	0
Capital Values (\$/sqm)	7,000	9,000	5,000	7,000

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Melbourne – Fringe Key Indicators

Melbourne – Fringe	A Grade		B Grade	
	Low	High	Low	High
Rental - Gross Face (\$/sq m)	550	675	400	500
Rental - Net Face (\$/sq m)	425	550	300	400
Incentive Level - Net	30.0%	45.0%	30.0%	45.0%
Rental - Net Effective (\$/sqm)	265	345	190	250
Outgoings - Operating (\$/sqm)	62	92	42	52
Outgoings - Statutory (\$/sqm)	45	55	51	56
Outgoings - Total (\$/sqm)	107	147	93	108
Typical Lease Term (yrs)	5	10	2	5
Yield - Market (%)	5.25	6.00	5.50	6.50
IRR (%)	6.00	6.50	6.25	7.00
Cars Permanent Reserved (\$/pcm)	190	250	150	200
Cars Permanent (\$/pcm)	0	0	0	0
Capital Values (\$/sqm)	7,000	11,500	5,000	7,000

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Queensland

PCA OMR Statistics (Dec-20)

	Brisbane CBD	Brisbane Fringe	Gold Coast	Sunshine Coast	AUS CBD
Total Stock	2,273,027	1,223,314	463,371	193,476	18,414,966
Total Vacancy	309,807	202,985	66,404	25,464	1,807,416
Vacancy (%)	13.6 (13.1)	16.6 (12.9)	14.3 (15.3)	13.2 (13.5)	11.1 (9.6)
Net Absorption (12m)	-9,807 (10,689)	-36,048 (-236)	-5,960 (4,088)	9,780 (5,381)	-85,567 (130,682)
Net Absorption (%)	-0.5 (0.6)	-3.4 (0.0)	-1.5 (1.1)	6.2 (3.9)	-0.5 (0.8)
Stock Additions	14,192	10,084	5,944	3,570	640,697
Stock Withdrawals	1,445	10,869	4,623	-	123,844
Net Additions	12,747 (21,873)	-785 (9,254)	1,321 (-548)	3,570 (6,015)	516,853 (190,421)
Net Additions (%)	0.6 (1.0)	-0.1 (0.8)	0.3 (-0.1)	1.9 (3.8)	2.9 (1.1)

Source: PCA / Savills Research Note: 10yr Average shown in brackets

Brisbane Key Indicators

Brisbane CBD	Premium		A Grade		B Grade	
	Low	High	Low	High	Low	High
Rental - Gross Face (\$/sq m)	850	880	690	795	550	625
Rental - Net Face (\$/sq m)	670	700	530	635	405	480
Incentive Level - Gross	35.0%	39.0%	37.5%	45.0%	40.0%	50.0%
Rental - Net Effective (\$/sqm)	355	375	245	305	160	200
Outgoings - Operating (\$/sqm)	95	120	85	95	70	85
Outgoings - Statutory (\$/sqm)	65	75	60	80	55	80
Outgoings - Total (\$/sqm)	160	195	145	175	125	165
Typical Lease Term (yrs)	7	10	4	7	2	5
Yield - Market (%)	5.00	5.25	5.25	5.75	6.00	7.25
IRR (%)	6.00	6.50	6.00	6.88	6.88	7.25
Cars Permanent Reserved (\$/pcm)	800	900	650	800	500	600
Cars Permanent (\$/pcm)	450	650	400	550	300	500
Capital Values (\$/sqm)	12,750	14,500	9,500	12,000	6,000	8,500

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Brisbane Fringe Key Indicators

Brisbane - Fringe	A Grade		B Grade	
	Low	High	Low	High
Rental - Gross Face (\$/sq m)	550	665	425	500
Rental - Net Face (\$/sq m)	435	550	320	395
Incentive Level - Gross	40.0%	47.5%	40.0%	47.5%
Rental - Net Effective (\$/sqm)	195	260	135	175
Outgoings - Operating (\$/sqm)	70	100	65	90
Outgoings - Statutory (\$/sqm)	25	35	20	35
Outgoings - Total (\$/sqm)	95	135	85	125
Typical Lease Term (yrs)	4	10	2	5
Yield - Market (%)	5.25	6.25	6.75	7.75
IRR (%)	6.25	7.00	7.25	7.75
Cars Permanent Reserved (\$/pcm)	325	395	300	325
Cars Permanent (\$/pcm)	275	385	200	300
Capital Values (\$/sqm)	7,500	11,000	4,500	7,000

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Gold Coast/Sunshine Coast Key Indicators

	Gold Coast A Grade		Sunshine Coast A Grade	
	Low	High	Low	High
Rental - Gross Face (\$/sq m)	390	505	365	465
Rental - Net Face (\$/sq m)	280	395	300	400
Incentive Level - Gross	15%	25%	10.0%	25.0%
Rental - Net Effective (\$/sqm)	200	295	235	320
Outgoings - Operating (\$/sqm)	55	65	40	50
Outgoings - Statutory (\$/sqm)	45	55	10	30
Outgoings - Total (\$/sqm)	100	120	50	80
Typical Lease Term (yrs)	3	8	2	5
Yield - Market (%)	6.50	7.50	6.50	8.00
IRR (%)	9.00	10.00	9.50	10.00
Cars Permanent Reserved (\$/pcm)	150	180	0	0
Cars Permanent (\$/pcm)	0	0	0	0
Capital Values (\$/sqm)	3,500	6,000	3,500	5,500

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Western Australia

PCA OMR Statistics (Dec-20)			
	Perth CBD	West Perth	AUS CBD
Total Stock	1,797,680	416,842	18,414,966
Total Vacancy	360,362	92,204	1,807,416
Vacancy (%)	20.0 (14.8)	22.1 (12.6)	11.1 (9.6)
Net Absorption (12m)	-45,098 (12,135)	-17,554 (-5,666)	-85,567 (130,682)
Net Absorption (%)	-3.0 (0.9)	-5.1 (-1.6)	-0.5 (0.8)
Stock Additions	17,174	2,477	640,697
Stock Withdrawals	16,699	2,470	123,844
Net Additions	475 (33,216)	7 (1,577)	516,853 (190,421)
Net Additions (%)	0.0 (2.1)	0.0 (0.4)	2.9 (1.1)

Source: PCA / Savills Research Note: 10yr Average shown in brackets

Perth CBD Key Indicators

Perth CBD	Premium		A Grade		B Grade	
	Low	High	Low	High	Low	High
Rental - Gross Face (\$/sq m)	845	945	740	840	475	675
Rental - Net Face (\$/sq m)	650	750	550	650	300	500
Incentive Level - Net	45.0%	50.0%	47.5%	52.5%	50.0%	58.0%
Rental - Net Effective (\$/sqm)	340	395	275	325	140	230
Outgoings - Operating (\$/sqm)	130	140	120	135	105	120
Outgoings - Statutory (\$/sqm)	55	65	55	65	55	65
Outgoings - Total (\$/sqm)	185	205	175	200	160	185
Typical Lease Term (yrs)	7	10	5	10	3	5
Yield - Market (%)	5.25	6.00	5.75	7.25	6.75	7.75
IRR (%)	6.50	7.00	6.75	7.50	7.00	8.00
Cars Permanent Reserved (\$/pcm)	675	775	650	700	450	650
Cars Permanent (\$/pcm)	675	775	650	700	450	650
Capital Values (\$/sqm)	10,000	14,000	8,000	10,000	4,000	7,000

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

West Perth Key Indicators

West Perth	A Grade		B Grade	
	Low	High	Low	High
Rental - Gross Face (\$/sq m)	515	585	405	475
Rental - Net Face (\$/sq m)	325	395	225	295
Incentive Level - Net	40%	50%	40%	50%
Rental - Net Effective (\$/sqm)	180	215	125	160
Outgoings - Operating (\$/sqm)	90	90	80	80
Outgoings - Statutory (\$/sqm)	85	110	85	110
Outgoings - Total (\$/sqm)	175	200	165	190
Typical Lease Term (yrs)	5	7	3	5
Yield - Market (%)	6.00	7.00	6.75	7.75
IRR (%)	7.00	8.00	7.50	8.50
Cars Permanent Reserved (\$/pcm)	325	350	275	300
Cars Permanent (\$/pcm)	325	350	275	300
Capital Values (\$/sqm)	4,600	6,600	3,000	4,500

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

South Australia

PCA OMR Statistics (Dec-20)

	Adelaide CBD	Adelaide Fringe	AUS CBD
Total Stock	1,464,286	216,943	18,414,966
Total Vacancy	233,764	25,270	1,807,416
Vacancy (%)	16.0 (13.1)	11.6 (9.9)	11.1 (9.6)
Net Absorption (12m)	-3,174 (3,545)	2,861 (-108)	-85,567 (130,682)
Net Absorption (%)	-0.3 (0.3)	1.5 (-0.1)	-0.5 (0.8)
Stock Additions	28,337	-	640,697
Stock Withdrawals	1,782	3,070	123,844
Net Additions	26,555 (15,976)	-3,070 (528)	516,853 (190,421)
Net Additions (%)	1.8 (1.2)	-1.4 (0.2)	2.9 (1.1)

Source: PCA / Savills Research Note: 10yr Average shown in brackets

Adelaide CBD Key Indicators

Adelaide CBD	Premium		A Grade		B Grade	
	Low	High	Low	High	Low	High
Rental - Gross Face (\$/sq m)	550	670	485	560	380	450
Rental - Net Face (\$/sq m)	430	550	375	450	285	355
Incentive Level - Gross	30.0%	35.0%	31.0%	36.0%	32.0%	37.0%
Rental - Net Effective (\$/sqm)	250	330	215	260	155	200
Outgoings - Operating (\$/sqm)	65	75	55	70	40	55
Outgoings - Statutory (\$/sqm)	45	55	45	50	45	45
Outgoings - Total (\$/sqm)	110	130	100	120	85	100
Typical Lease Term (yrs)	5	10	4	7	3	5
Yield - Market (%)	5.25	6.00	5.75	6.75	7.00	7.75
IRR (%)	6.00	6.75	6.50	7.50	7.25	8.25
Cars Permanent Reserved (\$/pcm)	475	550	450	475	325	425
Cars Permanent (\$/pcm)	475	550	450	475	325	425
Capital Values (\$/sqm)	6,500	9,500	5,000	7,000	2,750	4,500

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Adelaide Fringe Key Indicators

Adelaide Fringe	A Grade		B Grade	
	Low	High	Low	High
Rental - Gross Face (\$/sq m)	420	475	360	390
Rental - Net Face (\$/sq m)	335	390	285	315
Incentive Level - Gross	25.0%	27.0%	25.0%	28.0%
Rental - Net Effective (\$/sqm)	225	265	190	210
Outgoings - Operating (\$/sqm)	40	50	30	45
Outgoings - Statutory (\$/sqm)	40	40	40	35
Outgoings - Total (\$/sqm)	80	90	70	80
Typical Lease Term (yrs)	5	7	3	5
Yield - Market (%)	5.75	7.00	6.75	7.75
IRR (%)	6.50	7.25	7.00	7.75
Cars Permanent Reserved (\$/pcm)	95	110	80	90
Cars Permanent (\$/pcm)	95	110	85	90
Capital Values (\$/sqm)	5,000	6,500	3,250	4,500

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Australian Capital Territory

PCA OMR Statistics (Dec-20)		
	Canberra	AUS CBD
Total Stock	2,338,306	18,414,966
Total Vacancy	235,555	1,807,416
Vacancy (%)	10.1 (12.2)	11.1 (9.6)
Net Absorption (12m)	67,199 (19,123)	-85,567 (130,682)
Net Absorption (%)	3.3 (1.0)	-0.5 (0.8)
Stock Additions	80,652	640,697
Stock Withdrawals	11,711	123,844
Net Additions	68,941 (14,379)	516,853 (190,421)
Net Additions (%)	3.0 (0.6)	2.9 (1.1)

Source: PCA / Savills Research Note: 10yr Average shown in brackets

Canberra Civic Key Indicators

Canberra Civic	A Grade		B Grade	
	Low	High	Low	High
Rental - Gross Face (\$/sq m)	455	540	415	450
Rental - Net Face (\$/sq m)	345	430	300	335
Incentive Level - Gross	17.5%	25.0%	22.5%	30.0%
Rental - Net Effective (\$/sqm)	250	315	190	215
Outgoings - Operating (\$/sqm)	55	80	60	80
Outgoings - Statutory (\$/sqm)	40	50	40	50
Outgoings - Total (\$/sqm)	95	130	100	130
Typical Lease Term (yrs)	5	15	3	7
Yield - Market (%)	5.00	6.00	6.25	7.75
IRR (%)	6.00	6.75	7.00	8.00
Cars Permanent Reserved (\$/pcm)	350	400	320	385
Capital Values (\$/sqm)	6,250	8,500	4,000	6,000

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

Canberra Non-Civic Key Indicators

Canberra Non-Civic	A Grade		B Grade	
	Low	High	Low	High
Rental - Gross Face (\$/sq m)	420	505	370	405
Rental - Gross Face (\$/sq m)	420	505	370	405
Rental - Net Face (\$/sq m)	325	410	270	305
Incentive Level - Gross	25.0%	30.0%	22.5%	30.0%
Rental - Net Effective (\$/sqm)	210	270	175	200
Outgoings - Operating (\$/sqm)	55	70	60	70
Outgoings - Statutory (\$/sqm)	30	40	30	40
Outgoings - Total (\$/sqm)	85	110	90	110
Typical Lease Term (yrs)	5	15	3	5
Yield - Market (%)	5.00	6.75	6.75	8.00
IRR (%)	6.25	7.25	7.25	8.25
Cars Permanent Reserved (\$/pcm)	200	240	200	240
Capital Values (\$/sqm)	5,000	7,750	3,250	5,000

Source: Savills Research NB: All rents equivalent to whole floor mid-rise

