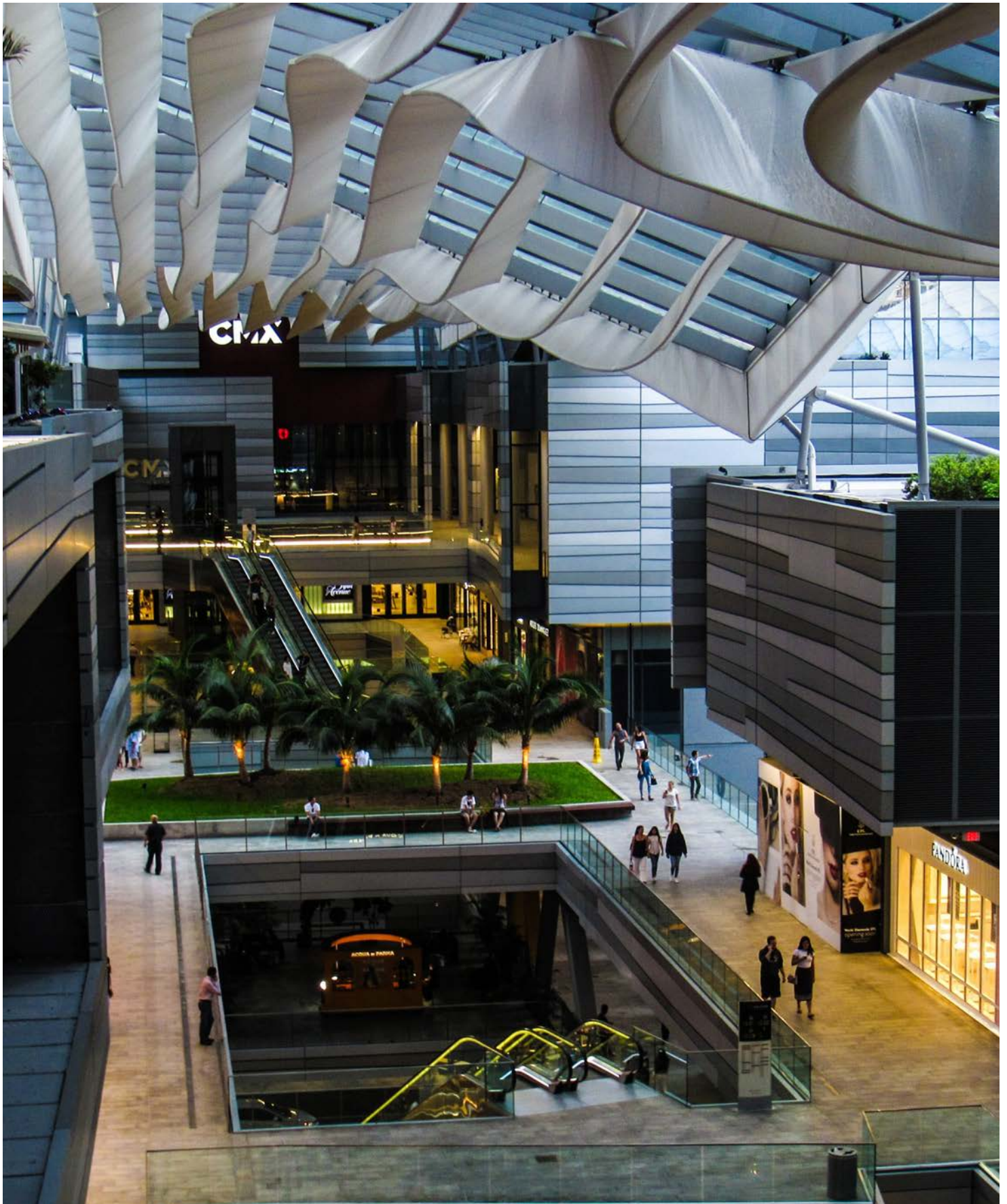


Quarter Time National Retail



Key Averages

	Regional	Sub-Regional	Neighbourhood	Large Format
Department Store Gross Rent (\$/sq m)	225			
DDS Gross Rent (\$/sq m)	225	205		
Supermarket Gross Rent (\$/sq m)	400	390	390	
Specialty Tenant Gross Rent (\$/sq m)	1,515	1,000	790	
Mini-Major Gross Rent (\$/sq m)	1,000	715	460	275
Average Yield (%)	5.40	6.85	6.15	6.50
Average IRR (%)	6.40	7.10	6.60	7.25
Average Outgoings (\$/sq m)	200	163	144	52
Average Capital Value (\$/sq m)	10,500	4,975	5,575	3,325

Trends Detailed

Sales Activity:

\$5.2bn

124 Sales (\$5m+)

Retail Trade

\$30.85bn

11.2% annual growth

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Executive Summary

The Australian economy continues to demonstrate a strong rebound following falling into a recession in June 2020. Throughout 2020 Australia's Gross Domestic Product contracted by -1.1% on the back of widespread economic disruption as a result of COVID-19. With the pandemic causing many retailers to close due to Government imposed lockdowns and foot traffic drastically reduced, retail property was negatively impacted. It is worth noting that this was mainly skewed towards Regional and Sub-regional centres with high exposure to fashion retailers and other specialty tenants. Supermarket anchored neighbourhood centres as well as large format centres have continued to perform well and a clear divergence between discretionary and non-discretionary centres has become apparent in both sales and leasing metrics.

Retail trade in Australia increased by 0.6% in January, after falling in December as a result of COVID-19 outbreaks particularly in NSW. Year-on-year growth was recorded at 11.2%, which was a notable growth particularly when comparing to pre-pandemic conditions. With the Government now winding back stimulus that has boosted both retail sales and household savings over the last 12 months we may begin to see retail sales growth slow down.

Throughout the pandemic we have seen online retail sales continue to grow at pace. Over the course of 2020 online retail sales demonstrated record growth, with historical high annual growth set in July of 62.6% year on year, we have since seen annual growth taper off with year-on-

year growth to January recorded at 45.6% (NAB Online Retail Sales Index). It was clear that throughout periods of lockdowns, there was a boost in online sales, particularly within the categories 'Takeaway Food' and 'Grocery and Liquor' which experienced some of the strongest annual growth of circa 70% and 43% respectively.

Transaction volumes over the 12 months to March 2021 were recorded at \$5.2 billion, which was down 34% on the previous year. Large format and neighbourhood sales accounted for 54% of sales (in dollar terms) with investors seeking assets that dominate their catchment and service densely populated areas and therefore can provide security of income. As a result of ongoing demand there is evidence of yield compression over the last 12 months, with both Neighbourhood and Large Format yields along the east coast reaching lows of 5.25% (as at March 2021).

COVID-19 will increase the scrutiny on passing income for retail investment assets, which was already the focus of prospective purchasers who sought to ensure the sustainability of income streams in a more capital intensive environment and provision for future growth. This will be most pronounced for Regional and Sub-Regional shopping centres that lack dominance of their trade area, have below benchmark turnover productivity and have heightened concerns around the future floor space requirements of department and discount department stores.



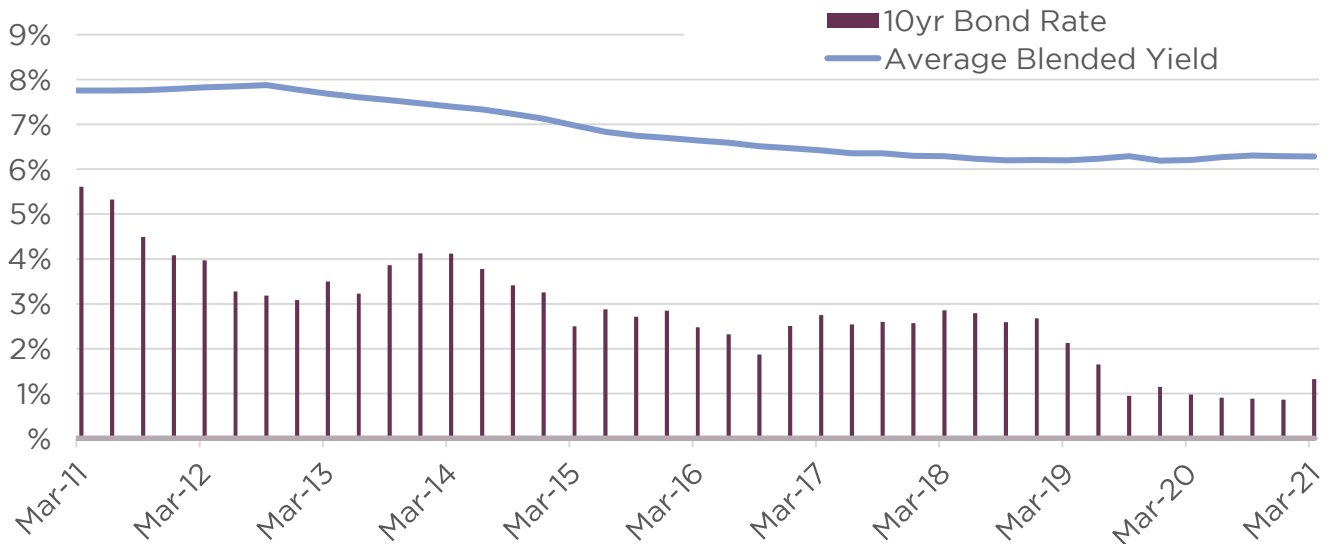
Retail Economic Indicators Summary

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 - Retail	Feb-21	-10.2 (-5.4)	-18.0 (-5.3)	-27.4 (-6.7)	5.9 (-3.9)	23.7 (-5.1)	23.7 (-5.1)
DA Approvals - Retail	Feb-21	-26.7 (0.0)	-26.5 (-0.3)	-34.3 (-0.6)	-2.6 (-1.8)	-41.9 (3.5)	-31.2 (2.4)

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

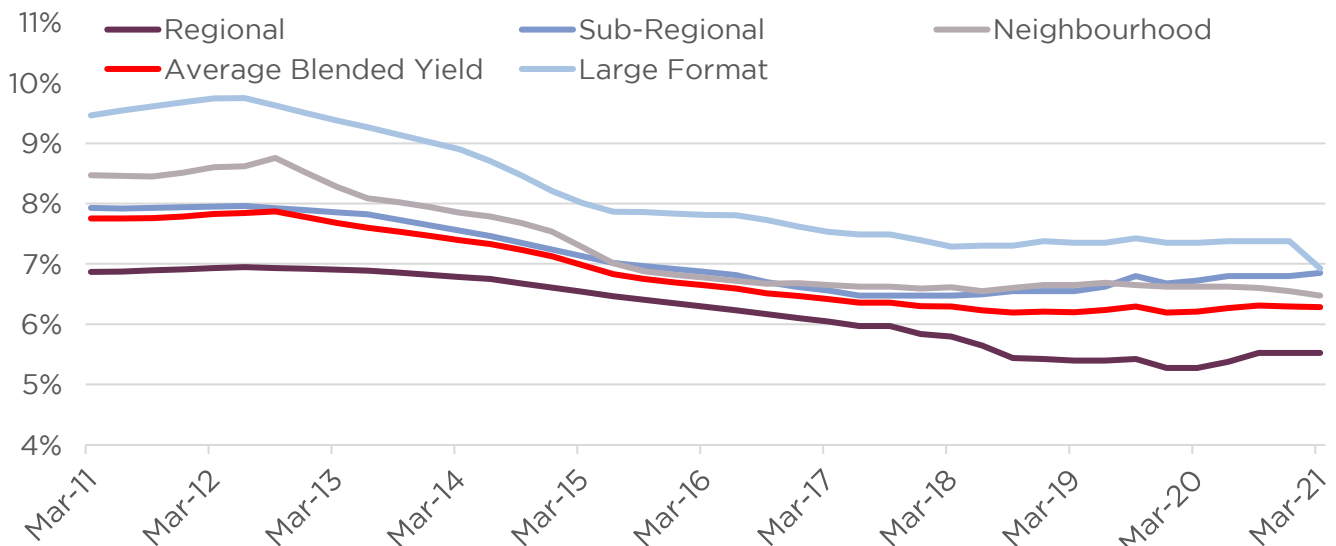
Retail Sales Metrics

Key Markets - Average Yield vs 10yr Bond Rate



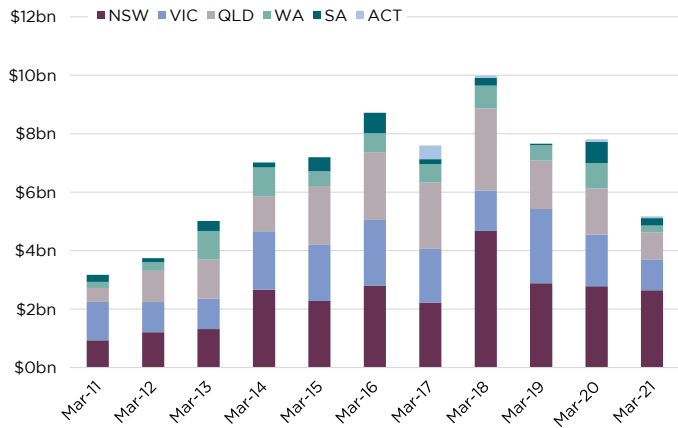
Source: Savills/RBA. Note: yield includes NSW, VIC, QLD, WA & SA Sub-regional, regional and neighbourhood centres

Key Markets - Average Yield by Centre Type



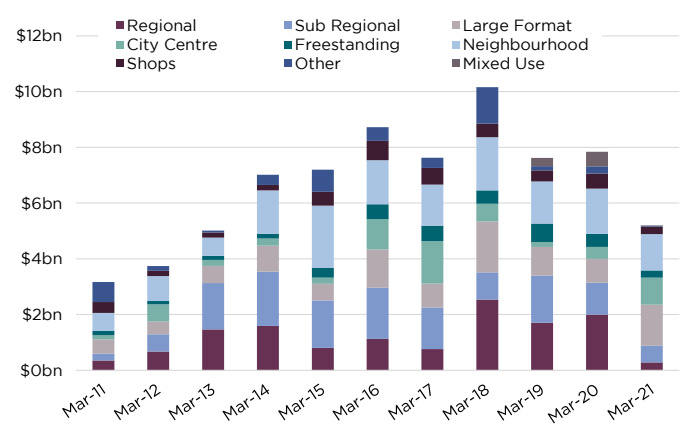
Note: Average Retail Yield includes NSW, Vic, Qld, WA & SA Regional, Sub-Regional & Neighbourhood Centres; Average Office Yield: A grade East Coast exc. Canberra; Industrial Average includes Prime yields Syd West, Mel West, Bri Southside, Per Core & Adl North West Precincts Source: Savills Research/RBA

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



Source: Savills Research

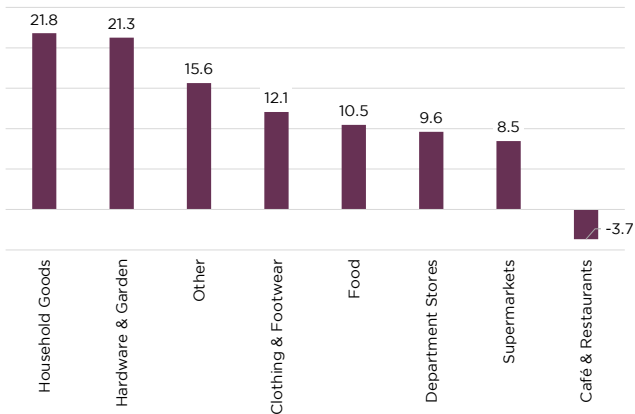
National Sales Volumes by Centre Type (\$5m+)



Source: Savills Research

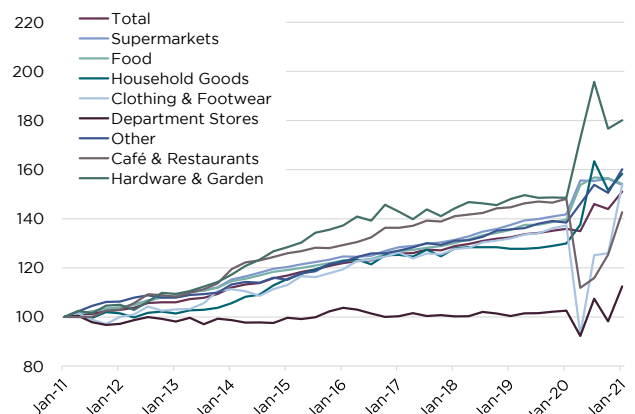
Retail Trade Trends & Drivers

AUS Retail Trade Annual Growth (%)



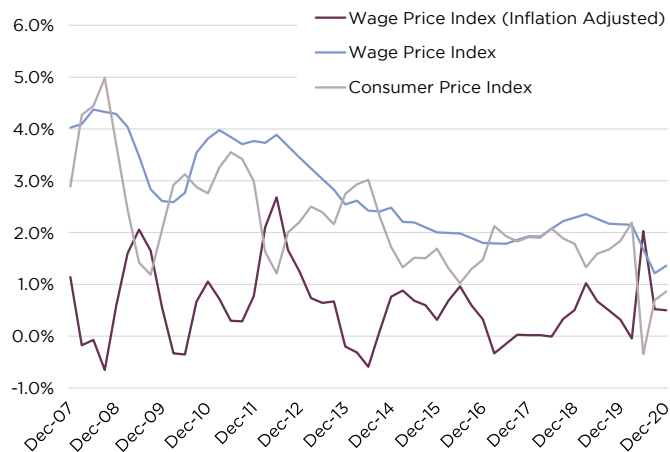
Source: ABS

Retail Trade Compound Growth by Category



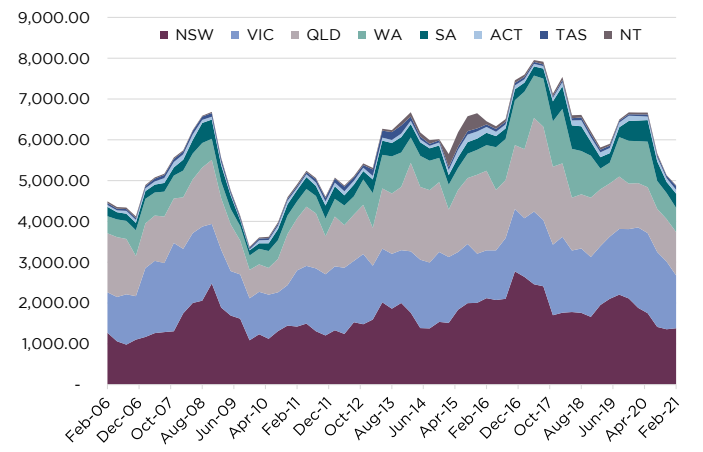
Source: ABS

Wage Price Index & CPI Annual Growth



Source: ABS

Retail Development Approvals (\$m)



Source: ABS

New South Wales



NSW Retail 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)
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)
Inflation	Dec-20	0.9 (1.9)	0.8 (2.0)
Retail Trade Growth	Jan-21	11.2 (4.2)	9.8 (4.2)
- Food	Jan-21	10.5 (4.4)	10.0 (4.2)
- Dept Stores	Jan-21	9.6 (1.2)	6.9 (1.1)
- H/H Goods	Jan-21	21.8 (4.7)	22.7 (4.9)
- Clothing	Jan-21	12.1 (4.4)	12.5 (5.3)
- Cafes	Jan-21	-3.7 (3.6)	-10.0 (3.6)

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

NSW – Key Indicators

Enclosed Centres	Regional		Sub-Regional		Neighbourhood		Large Format	
	Low	High	Low	High	Low	High	Low	High
Department Store Rent (\$/sq m) Gross	150	300						
DDS Rent (\$/sq m) Gross	150	300	150	250				
Supermarket Rent (\$/sq m) Gross	300	550	275	550	275	550		
Mini-Major Rent (\$/sq m) Gross	500	1,500	300	825	200	650		
Specialty Tenant Rent (\$/sq m) Gross	950	2,400	550	1,300	500	1,500	175	500
Yield - Market (%)	4.50	6.25	5.75	7.75	5.25	6.75	5.25	7.50
IRR (%)	6.00	6.75	6.25	7.50	5.75	7.25	6.00	8.25
Outgoings - Operating (\$/sqm)	108	209	88	170	81	160	16	30
Outgoings - Statutory (\$/sqm)	20	32	20	39	23	53	12	21
Outgoings - Total (\$/sqm)	128	241	108	209	104	213	28	51
Capital Values (\$/sqm)	7,000	15,000	2,900	7,000	3,500	8,700	1,750	5,750

Source: Savills Research

Victoria



VIC Retail Economic Drivers

	As at	AUS	Vic
GDP / SFD 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)
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)
Inflation	Dec-20	0.9 (1.9)	1.3 (2.0)
Retail Trade Growth	Jan-21	11.2 (4.2)	9.2 (4.3)
- Food	Jan-21	10.5 (4.4)	8.6 (4.6)
- Dept Stores	Jan-21	9.6 (1.2)	11.4 (2.2)
- H/H Goods	Jan-21	21.8 (4.7)	18.8 (5.4)
- Clothing	Jan-21	12.1 (4.4)	8.5 (4.1)
- Cafes	Jan-21	-3.7 (3.6)	-10.1 (2.2)

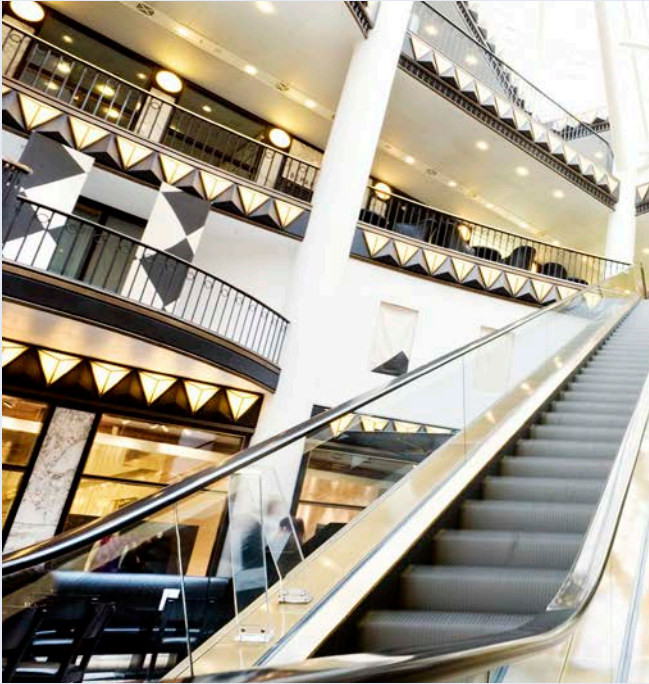
Source: : ABS/Savills Research Note: 10yr average shown in brackets

Victoria – Key Indicators

Enclosed Centres	Regional		Sub-Regional		Neighbourhood		Large Format	
	Low	High	Low	High	Low	High	Low	High
Department Store Rent (\$/sq m) Gross	150	300						
DDS Rent (\$/sq m) Gross	150	300	150	250				
Supermarket Rent (\$/sq m) Gross	300	450	275	450	275	450		
Mini-Major Rent (\$/sq m) Gross	500	1,500	400	1,350	300	750		
Specialty Tenant Rent (\$/sq m) Gross	850	2,100	650	1,300	550	750	190	300
Yield - Market (%)	4.50	6.25	5.75	7.75	5.25	6.50	5.25	7.50
IRR (%)	6.00	6.75	6.50	7.75	5.75	7.00	6.00	8.25
Outgoings - Operating (\$/sqm)	116	191	98	162	74	124	25	50
Outgoings - Statutory (\$/sqm)	41	57	31	48	38	54	20	30
Outgoings - Total (\$/sqm)	157	248	129	210	112	178	45	80
Capital Values (\$/sqm)	7,000	13,000	3,500	7,000	3,750	7,500	2,250	3,500

Source: Savills Research

Queensland



QLD Retail Economic Drivers

	As at	AUS	Qld
GDP / SFD 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)
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)
Inflation	Dec-20	0.9 (1.9)	1.0 (1.9)
Retail Trade Growth	Jan-21	11.2 (4.2)	13.5 (4.5)
- Food	Jan-21	10.5 (4.4)	11.7 (4.5)
- Dept Stores	Jan-21	9.6 (1.2)	9.6 (0.9)
- H/H Goods	Jan-21	21.8 (4.7)	23.5 (5.3)
- Clothing	Jan-21	12.1 (4.4)	12.3 (5.1)
- Cafes	Jan-21	-3.7 (3.6)	6.9 (4.5)

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

Queensland – Key Indicators

Enclosed Centres	Regional		Sub-Regional		Neighbourhood		Large Format	
	Low	High	Low	High	Low	High	Low	High
Department Store Rent (\$/sq m) Gross	150	300						
DDS Rent (\$/sq m) Gross	150	300	150	275				
Supermarket Rent (\$/sq m) Gross	350	450	350	450	350	450		
Mini-Major Rent (\$/sq m) Gross	500	1,500	400	1,000	200	650		
Specialty Tenant Rent (\$/sq m) Gross	1,000	1,800	700	1,500	550	900	150	330
Yield - Market (%)	4.50	6.25	6.25	7.75	5.50	7.50	5.75	7.75
IRR (%)	6.00	7.00	6.75	7.75	6.00	7.75	6.50	8.50
Outgoings - Operating (\$/sqm)	134	196	81	157	66	122	21	42
Outgoings - Statutory (\$/sqm)	38	60	33	52	24	47	18	27
Outgoings - Total (\$/sqm)	172	256	114	209	90	169	39	69
Capital Values (\$/sqm)	7,000	14,000	2,500	7,000	3,000	7,000	1,750	5,000

Source: Savills Research

Western Australia



WA Retail Economic Drivers

	As at	AUS	WA
GDP / SFD 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)
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)
Inflation	Dec-20	0.9 (1.9)	-0.1 (1.5)
Retail Trade Growth	Jan-21	11.2 (4.2)	16.4 (4.3)
- Food	Jan-21	10.5 (4.4)	15.1 (4.6)
- Dept Stores	Jan-21	9.6 (1.2)	13.8 (0.9)
- H/H Goods	Jan-21	21.8 (4.7)	25.1 (3.6)
- Clothing	Jan-21	12.1 (4.4)	14.5 (2.4)
- Cafes	Jan-21	-3.7 (3.6)	9.3 (4.9)

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

Western Australia – Key Indicators

Enclosed Centres	Regional		Sub-Regional		Neighbourhood		Large Format	
	Low	High	Low	High	Low	High	Low	High
Department Store Rent (\$/sq m) Gross	150	250						
DDS Rent (\$/sq m) Gross	150	250	200	280				
Supermarket Rent (\$/sq m) Gross	250	400	220	380	220	380		
Mini-Major Rent (\$/sq m) Gross	500	1,500	400	800	200	650		
Specialty Tenant Rent (\$/sq m) Gross	1,000	2,000	600	1,500	350	900	150	300
Yield - Market (%)	4.50	6.25	5.50	8.00	5.75	8.50	6.25	9.00
IRR (%)	6.50	7.25	7.00	9.00	6.25	9.00	7.50	11.00
Outgoings - Operating (\$/sqm)	127	160	98	154	66	146	20	40
Outgoings - Statutory (\$/sqm)	64	89	45	69	40	62	20	50
Outgoings - Total (\$/sqm)	191	249	143	223	106	208	40	90
Capital Values (\$/sqm)	6,000	15,000	2,700	7,000	2,500	6,000	1,500	4,000

Source: Savills Research

South Australia



SA Retail Economic Drivers

	As at	AUS	SA
GDP / SFD 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)
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)
Inflation	Dec-20	0.9 (1.9)	1.0 (1.9)
Retail Trade Growth	Jan-21	11.2 (4.2)	8.8 (3.1)
- Food	Jan-21	10.5 (4.4)	8.7 (4.1)
- Dept Stores	Jan-21	9.6 (1.2)	5.9 (-0.5)
- H/H Goods	Jan-21	21.8 (4.7)	21.9 (2.1)
- Clothing	Jan-21	12.1 (4.4)	18.4 (1.5)
- Cafes	Jan-21	-3.7 (3.6)	1.5 (4.6)

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

South Australia – Key Indicators

Enclosed Centres	Regional		Sub-Regional		Neighbourhood		Large Format	
	Low	High	Low	High	Low	High	Low	High
DDS Rent (\$/sq m) Gross	150	250	140	180				
Supermarket Rent (\$/sq m) Gross	250	400	235	400	235	400		
Mini-Major Rent (\$/sq m) Gross	300	1,000	300	800	200	650		
Specialty Tenant Rent (\$/sq m) Gross	1,000	2,000	650	1,200	200	800	150	300
Yield - Market (%)	5.50	6.75	6.00	8.00	5.75	8.00	6.50	8.50
IRR (%)	6.75	7.50	7.00	9.00	6.25	8.50	7.50	9.00
Outgoings - Operating (\$/sqm)	78	123	60	120	51	98	20	30
Outgoings - Statutory (\$/sqm)	45	71	40	70	43	86	15	30
Outgoings - Total (\$/sqm)	123	194	100	190	94	184	35	60
Capital Values (\$/sqm)	6,000	10,800	3,500	6,000	2,000	5,000	1,800	3,000

Source: Savills Research

