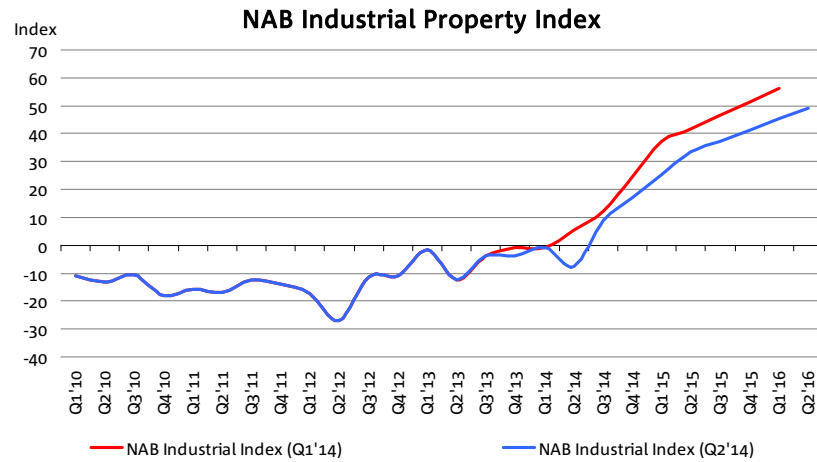
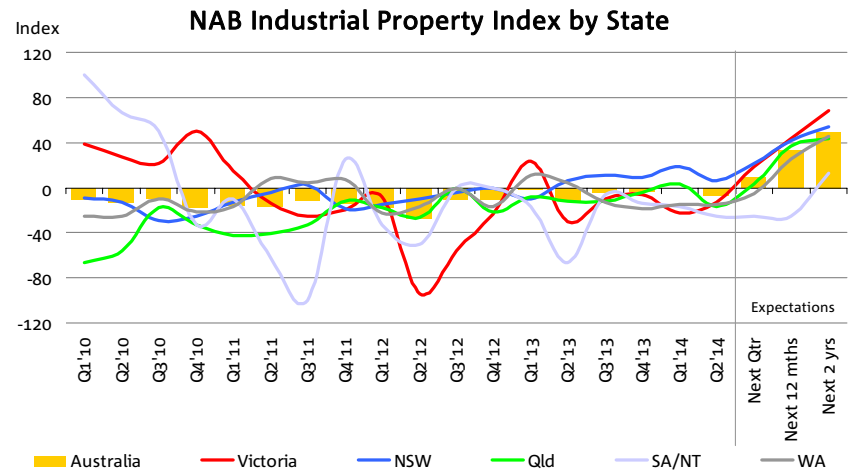


# NAB Commercial Property Survey: Industrial Market Q2 2014

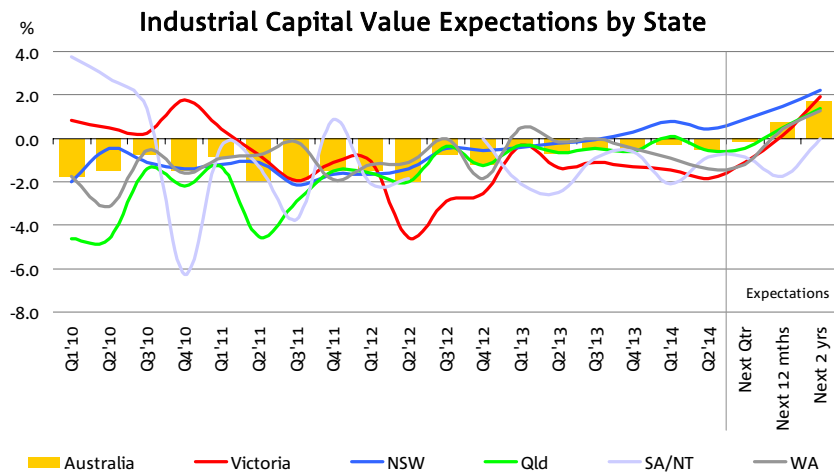
Overall sentiment fell most in industrial property markets in Q2, with outlook also softer compared to the last survey.



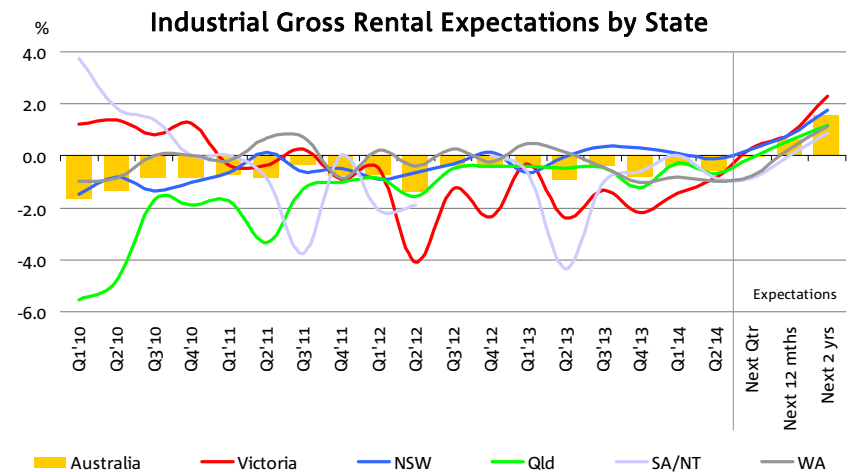
Industrial sentiment lower in most states (except VIC & WA). VIC and NSW now also most optimistic states over next 1-2 years.



Industrial capital values grew in NSW in Q2 but fell in all other states (biggest falls in VIC & WA). Growth to resume in all states in next 1-2 years (bar SA/NT), with returns best in NSW and VIC.

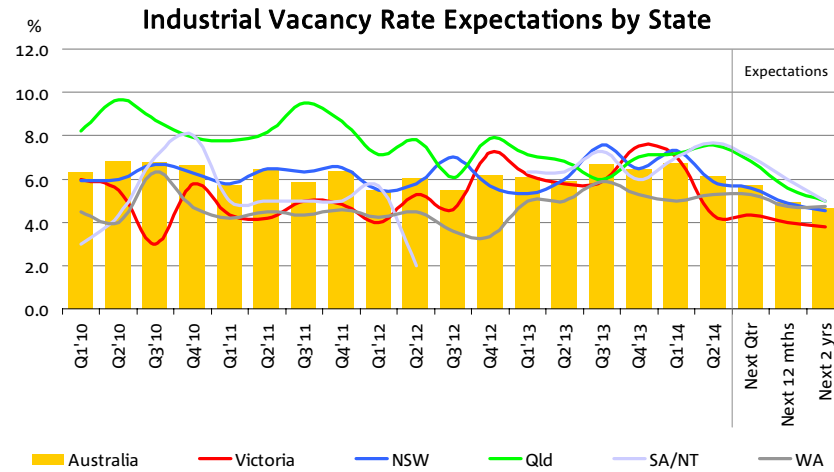


WA weakest state for rents in Q2. NSW strongest but returns mildly negative. Rents expected to grow in all states in next 1-2 years, with best returns in NSW & VIC and weakest in SA/NT & WA.

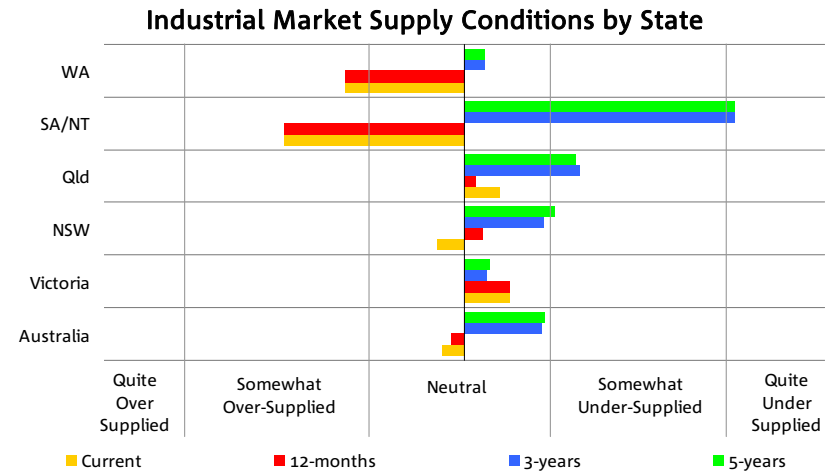


# NAB Commercial Property Survey: Industrial Property Market

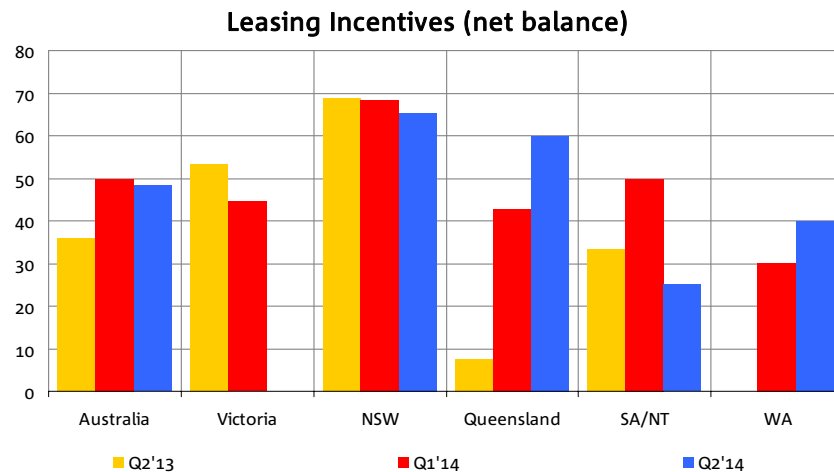
Vacancy rates moderated in most states (especially VIC & NSW), but sustained high vacancy persisted in QLD. Vacancy rates expected to fall in all markets over the next 1-2 years.



Industrial property markets currently viewed as “neutral” in all states bar SA/NT and WA where markets currently “somewhat” over-supplied and expected to remain so in the next year. Supply shortages expected to emerge in NSW, QLD and SA/NT in the next 3-5 years, with markets balanced in VIC and WA.



Leasing incentives in industrial property market least important in VIC and highest in NSW in Q2, while the importance of leasing incentives rose most QLD & WA.



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