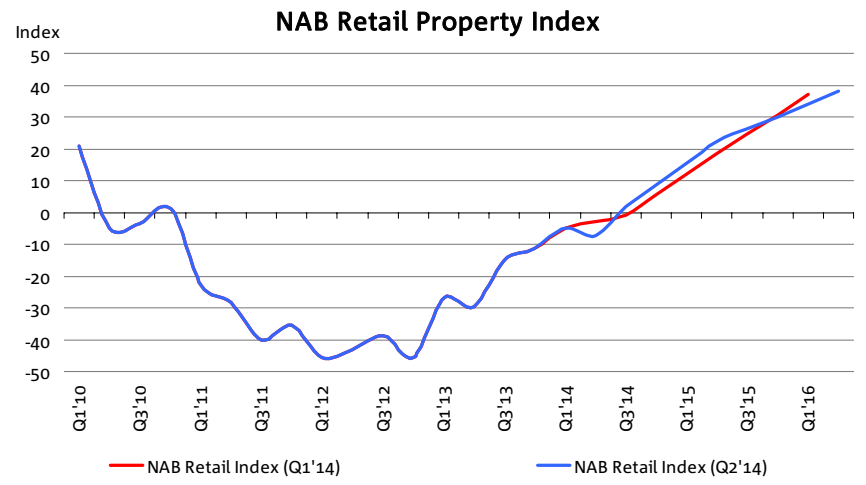
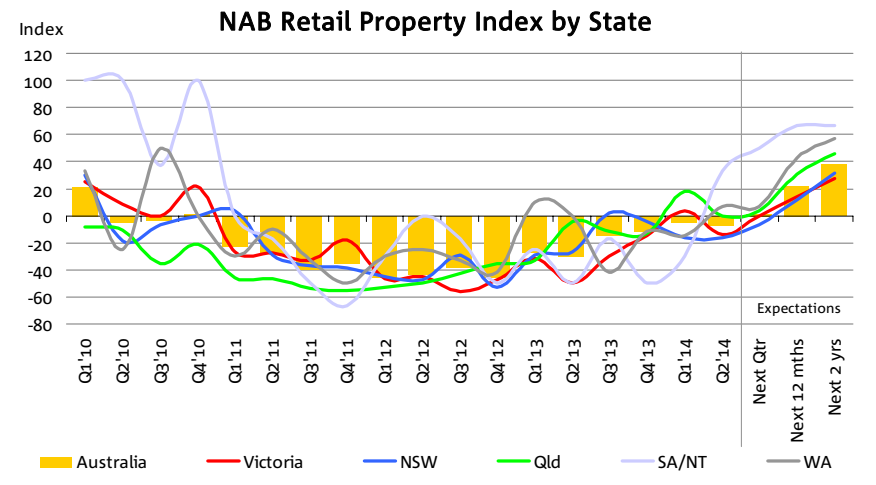


NAB Commercial Property Survey: Retail Market Q2 2014

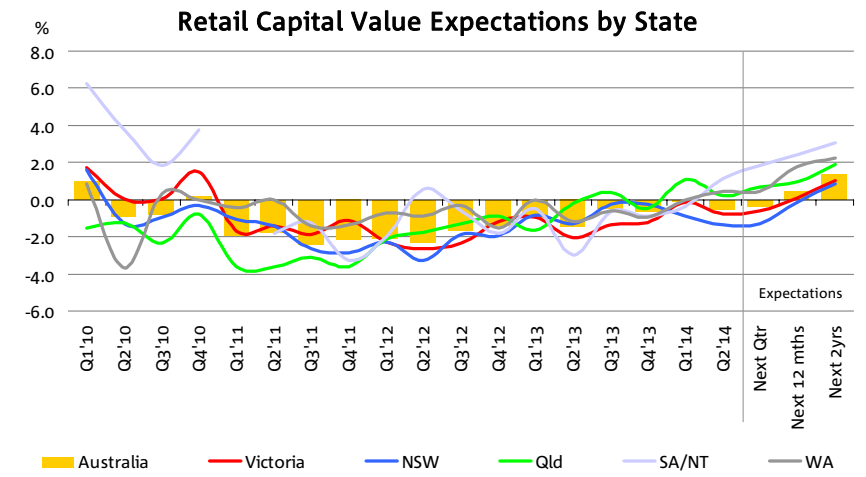
Retail property market sentiment also down slightly in Q2, but forward expectations marginally stronger.



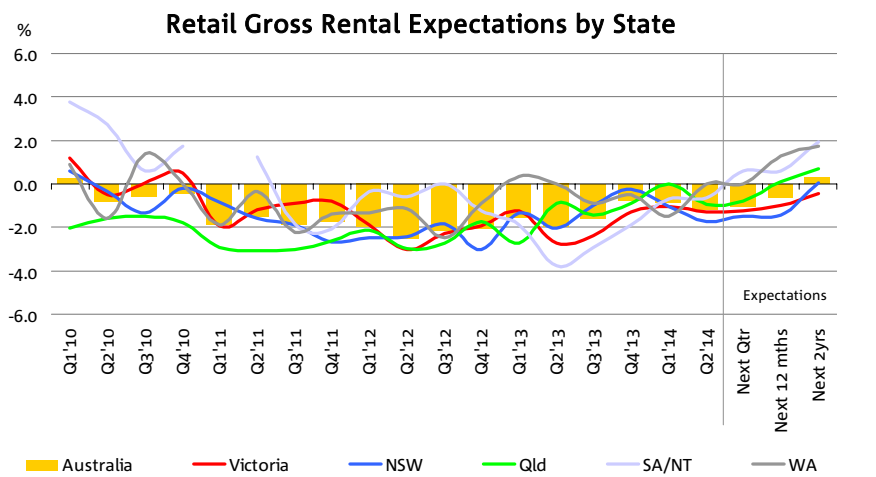
Retail market sentiment improved in SA/NT and WA in Q2, but fell in QLD and VIC. SA/NT and WA most positive states going forward.



Capital returns negative in NSW and VIC in Q2, but mildly positive in all other states. Outlook for capital growth in next 1-2 years positive in all states, with best returns forecast in SA/NT and WA.

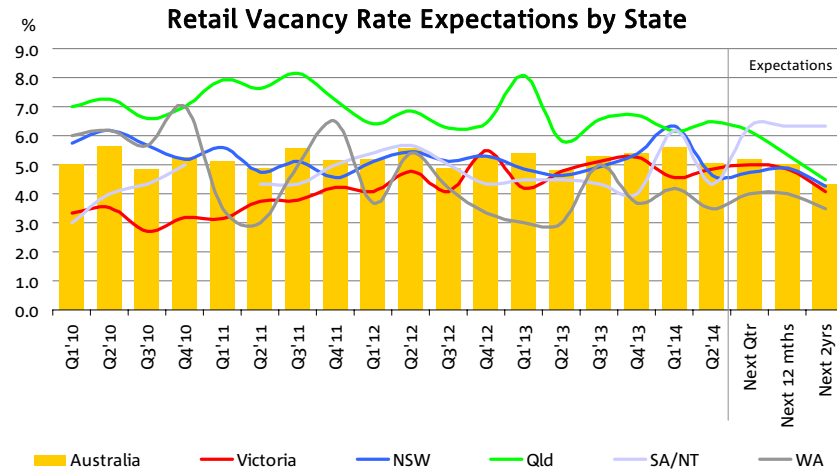


Rents weaker (and negative) in all states in Q2, except WA (flat). Growth to resume in WA, QLD and SA/NT next year, but negative in NSW and VIC. SA/NT and WA to lead in 1-2 years; VIC lagging.

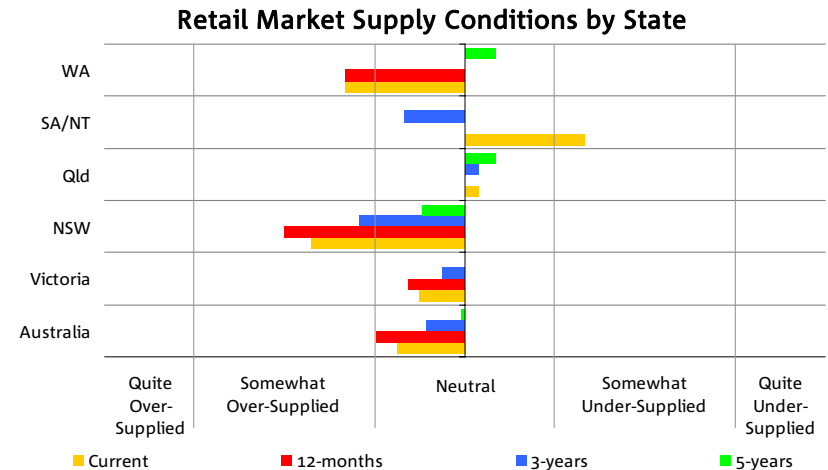


NAB Commercial Property Survey: Retail Property Market

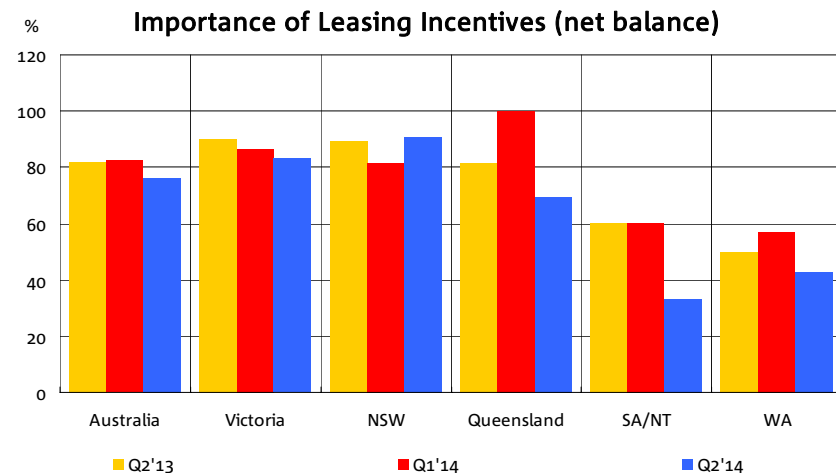
Retail vacancy rate fell in all states except QLD and VIC in Q2. Vacancy rates expected to drift up in all states in the next year (except QLD), but fall in all states in 2 years time (except SA/NT).



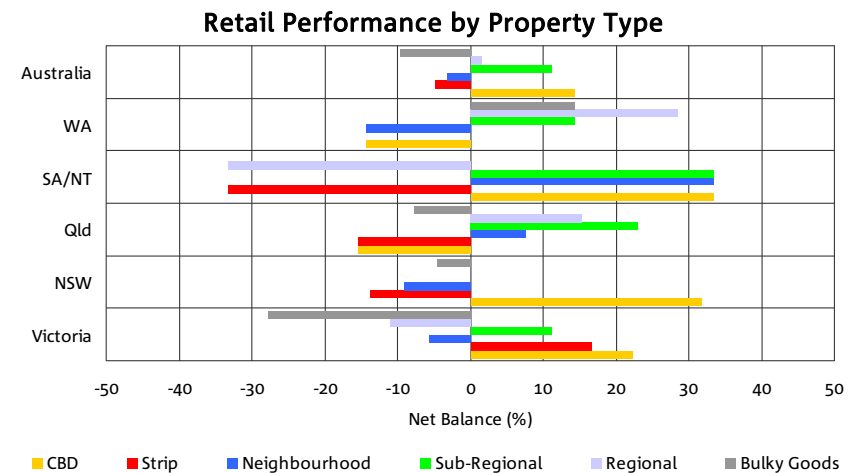
Retail property market seen as “somewhat” over-supplied in NSW and WA in Q2 and broadly balanced in all other states except SA/NT. Markets in NSW to remain over-supplied in next 1-3 years.



Leasing incentives in retail less important in all states except NSW in Q2. Incentives most important in NSW and VIC - also worst performing markets for rents - and lowest in SA/NT and WA.



CBD best performing location for retail property in SA/NT, NSW and VIC. Regional best in WA and sub-regional best in QLD. Bulky goods worst in VIC, with Strip retail worst in NSW, QLD and SA/NT.



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