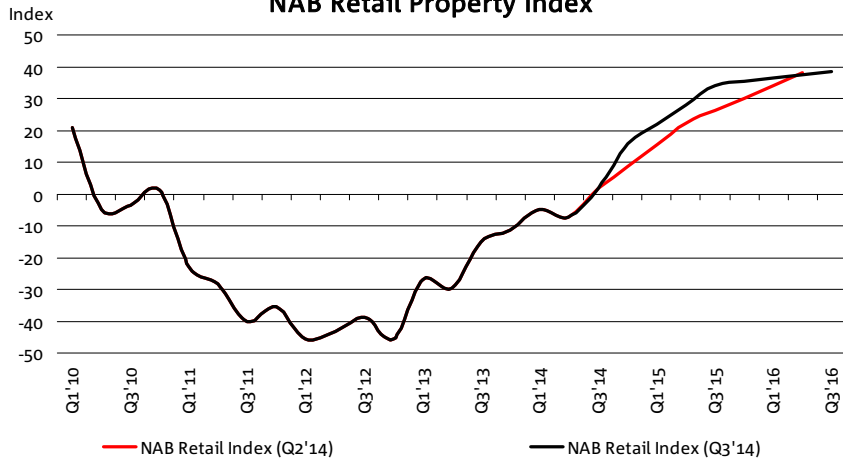


NAB Commercial Property Survey: Retail Market Q3 2014

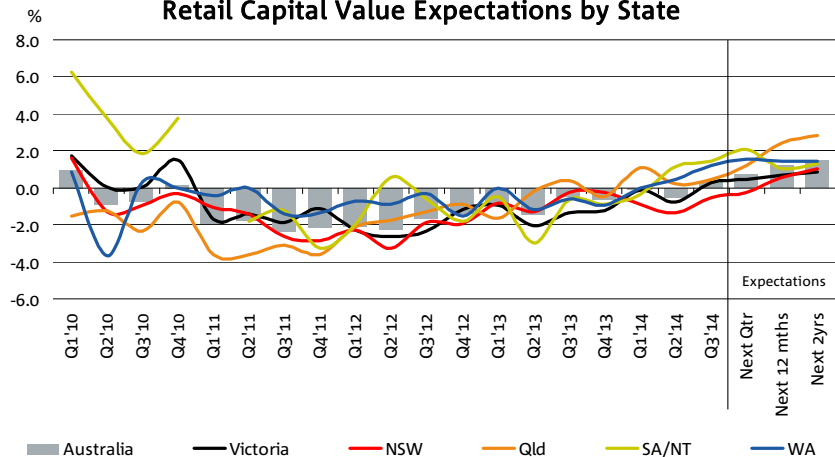
Retail property market sentiment turns positive in Q2 and forward expectations for next year strengthen marginally.

NAB Retail Property Index



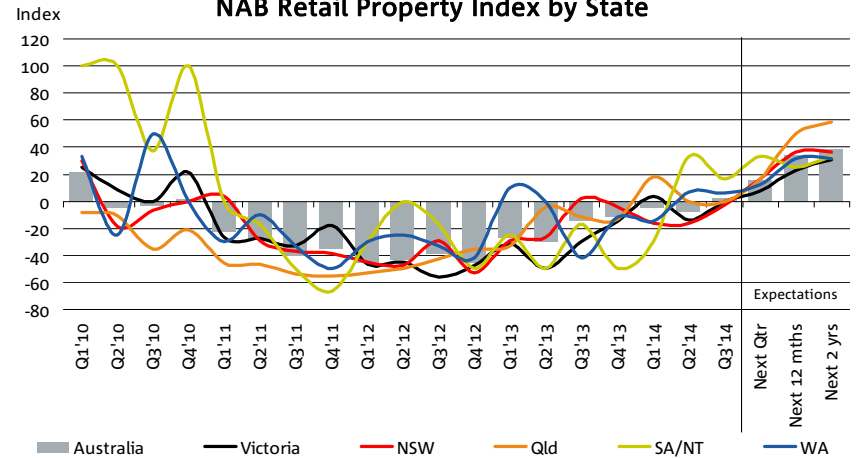
Capital returns positive in all states bar NSW in Q3. Outlook for capital growth in next 1-2 years positive in all states, with best returns forecast in QLD. VIC & NSW under-performing.

Retail Capital Value Expectations by State



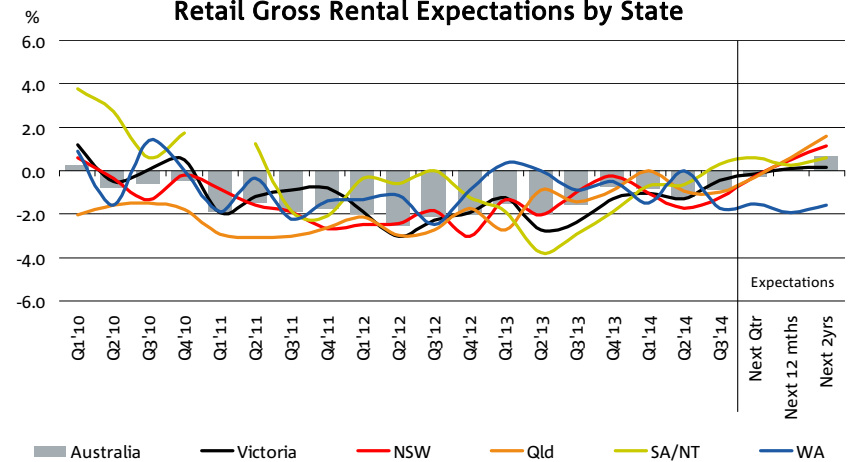
Retail sentiment improved most in VIC & NSW in Q3, but NSW still weakest overall and SA/NT best. QLD most positive going forward.

NAB Retail Property Index by State



Rents down heavily in WA in Q3. Also negative (but improving) in all other states (except SA/NT). Growth to resume in all states in 1-2 years (bar WA); Highest returns expected in QLD & NSW.

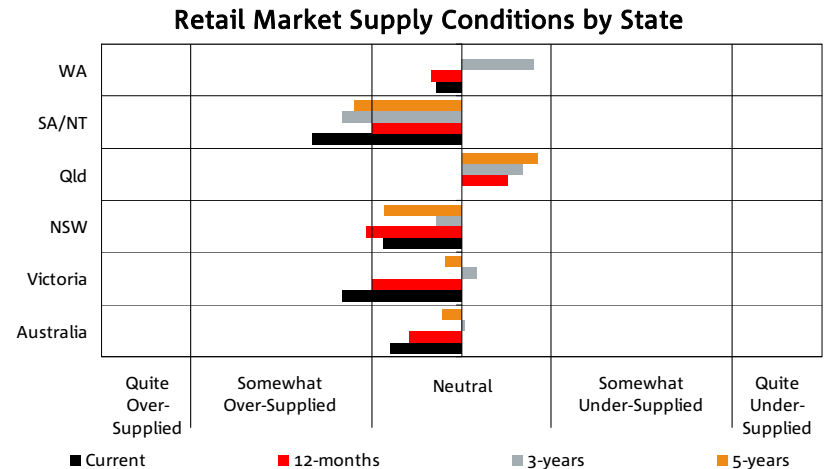
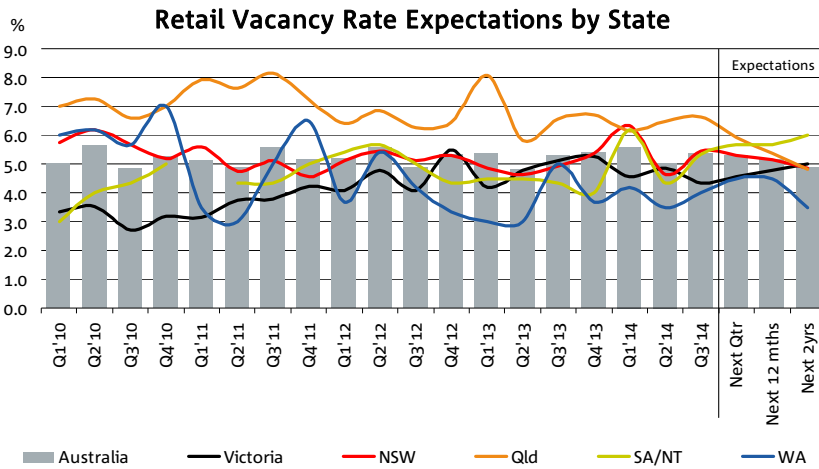
Retail Gross Rental Expectations by State



NAB Commercial Property Survey: Retail Property Market

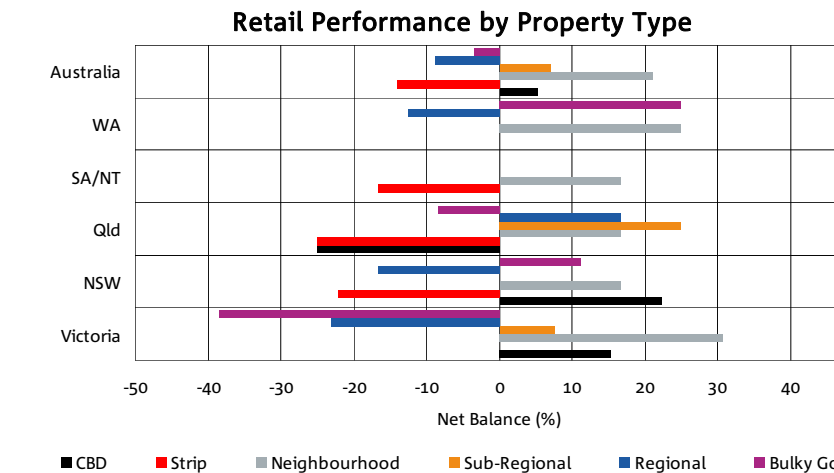
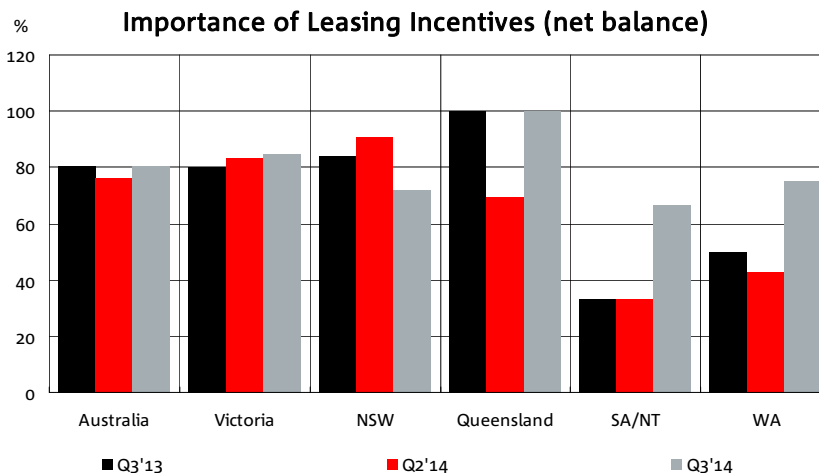
Retail vacancy rate rose in NSW, QLD, SA/NT and WA in Q3, but fell in VIC. Available space expected to increase in SA/NT and VIC in next 1-2 years, but fall in all other states.

Retail markets “somewhat” over-supplied in SA/NT and VIC in Q3 and “neutral” in other states. All markets to be broadly balanced in next 1-5 years, except SA/NT where over-supply persisting.



Leasing incentives in retail property markets more important in all states in Q3, except NSW. Importance of incentives highest in QLD and VIC and lowest in SA/NT.

CBD best location for retail in NSW; neighbourhood strongest in VIC & WA; sub-regional best in QLD. Bulky goods worst in VIC; Strip worst in NSW, QLD and SA/NT; sub-regional weakest in WA.



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