



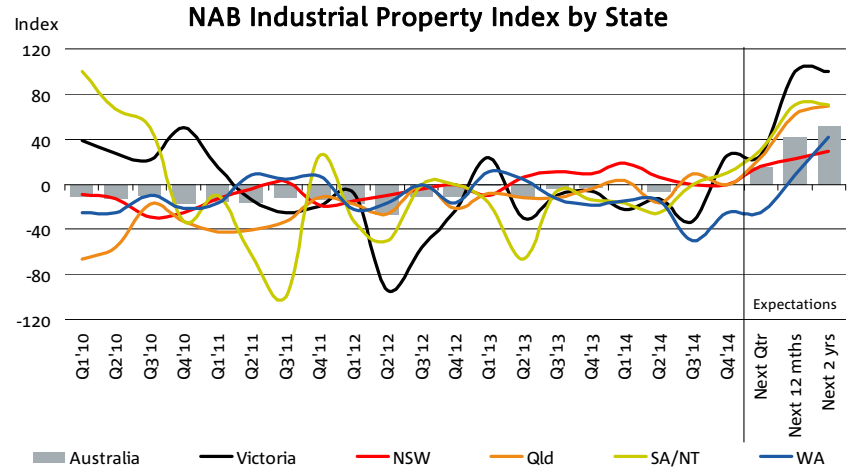
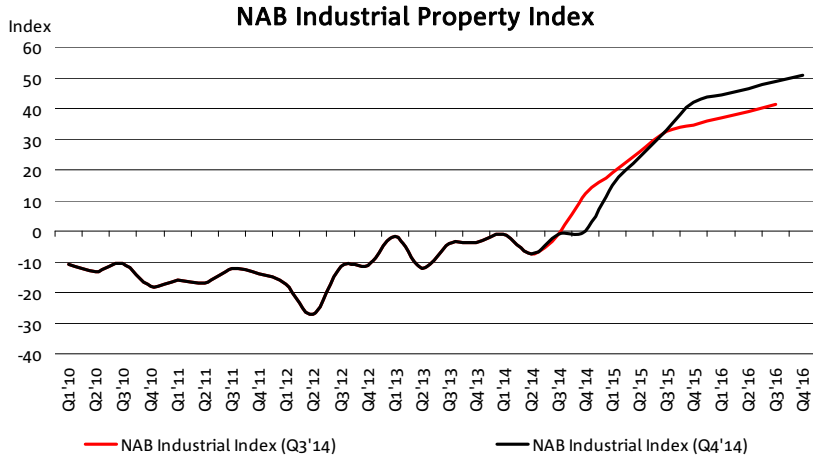
NAB Commercial Property Survey: Industrial Market Q4 2014

by NAB Group Economics

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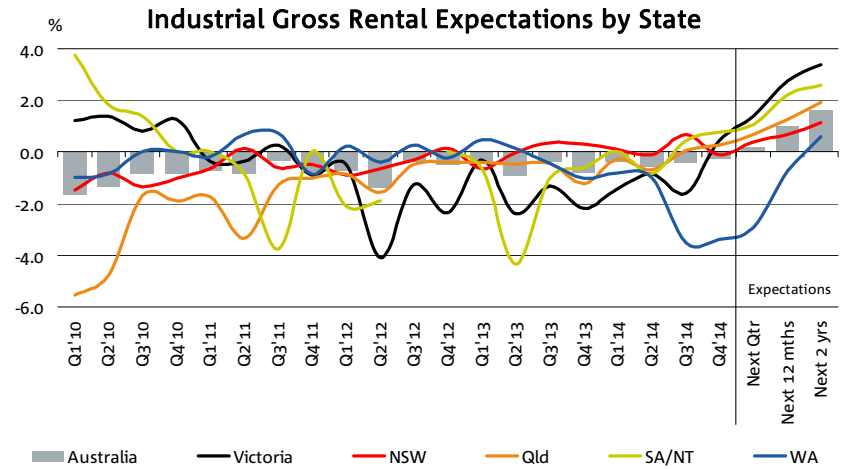
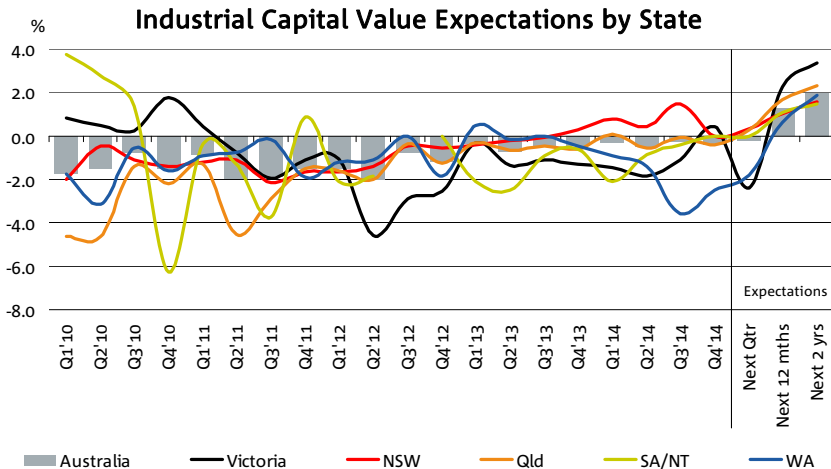
National sentiment for industrial property broadly unchanged in Q4, but expectations are slightly stronger.

Sentiment in the industrial market higher in all states in Q4, except QLD. VIC the strongest market in 2 years; NSW weakest.



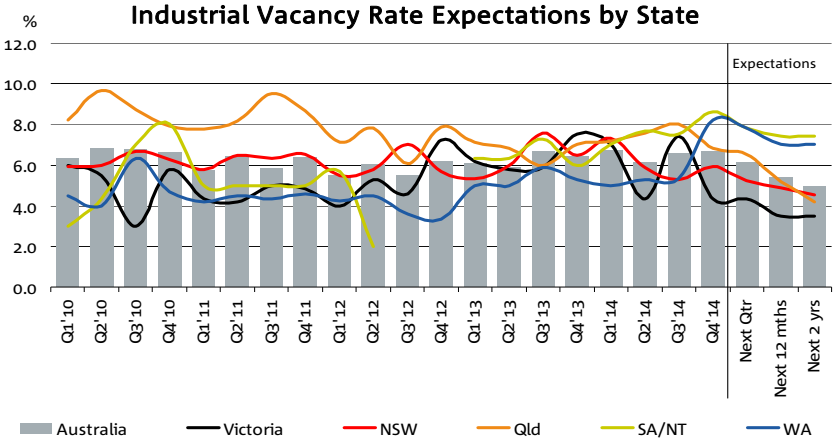
VIC only state to record capital growth in Q4; values down steeply in WA. VIC to lead the country for capital gains in next 2 years, followed by QLD; returns weakest in SA/NT and NSW.

Income returns highest in SA/NT and VIC in Q4; significantly lower in WA. Expectations suggest WA will continue to be the worst performer for rents, with VIC the best.

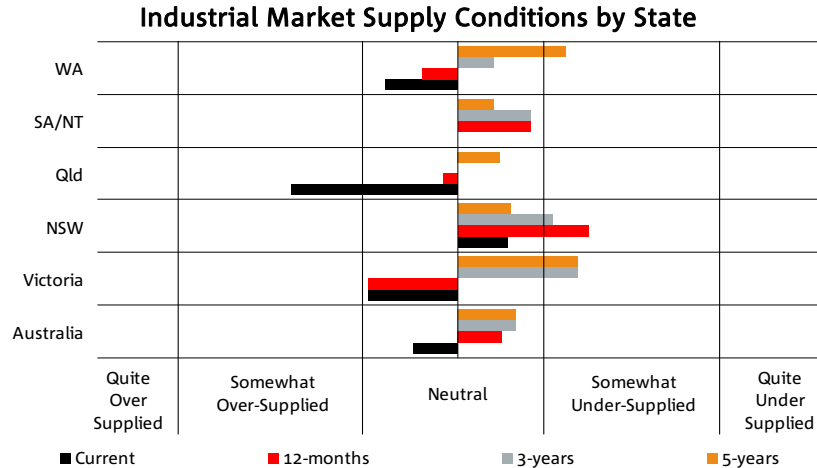


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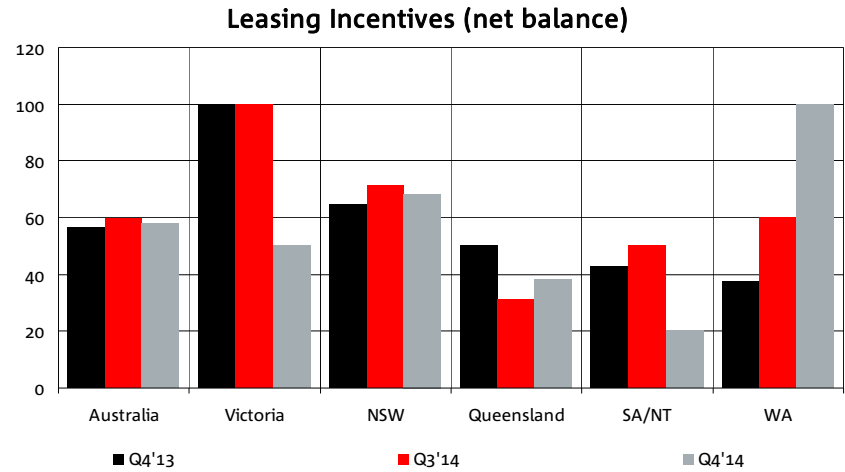
Vacancy rates dip in VIC (lowest of all states). Vacancies also lower in QLD, but up in WA, SA/NT and NSW. Vacancy to trend down in all states over next 1-2 yrs; highest in SA/NT & WA; lowest in VIC.



Property professionals estimate balanced supply in all states except QLD. Market to be “somewhat” under-supplied in NSW in next 1-3 years, in VIC in next 3-5 years and in WA in next 5 years.



Leasing incentives much more important in WA but much less important in VIC. Overall, importance of leasing incentives in industrial property markets seen as lowest in SA/NT and QLD.



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