



NAB Commercial Property Survey: Retail Market Q4 2014

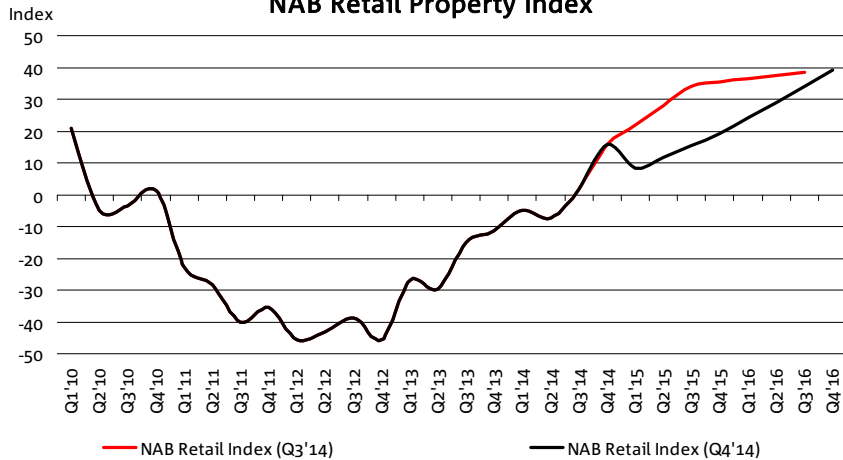
by NAB Group Economics

Embargoed until: 11.30am Wednesday 11 February 2015

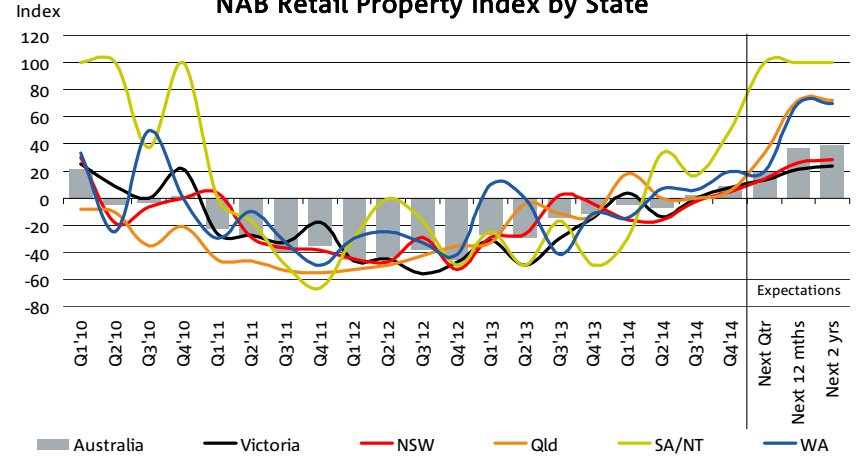
Sentiment in retail property markets improved in Q4, but forward expectations were pared back.

Retail sentiment rises in all states (esp. SA/NT but from small sample size). Expectations in 1-2 years best in SA/NT, QLD & WA.

NAB Retail Property Index



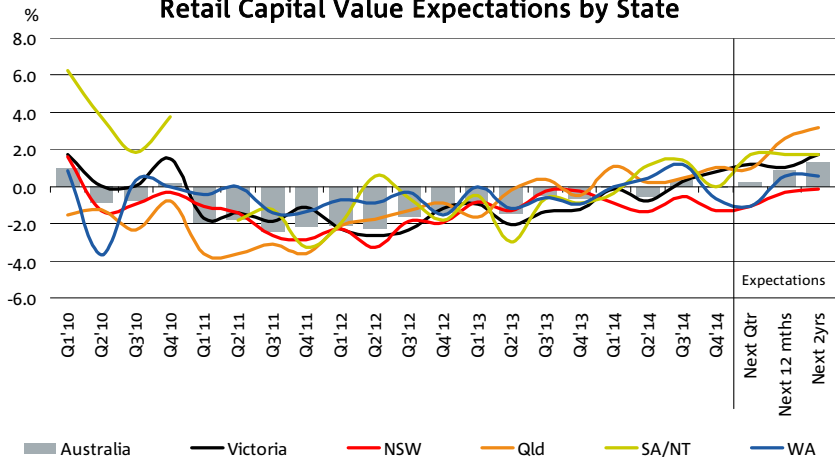
NAB Retail Property Index by State



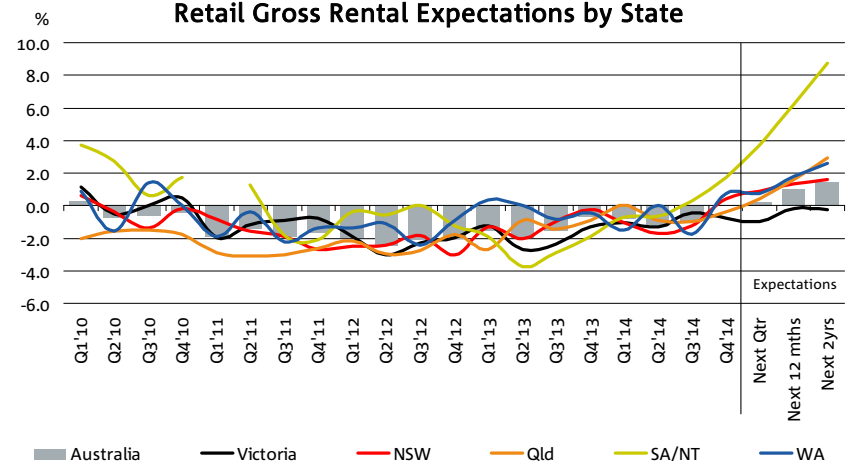
Capital values lower in all states in Q4, except QLD & VIC. Best returns in next 1-2 years expected in QLD, with negative returns forecast in NSW.

Income returns in VIC & QLD negative in Q4; positive in all other states. Outlook for returns best in SA/NT, QLD & WA; negative returns persisting in VIC.

Retail Capital Value Expectations by State



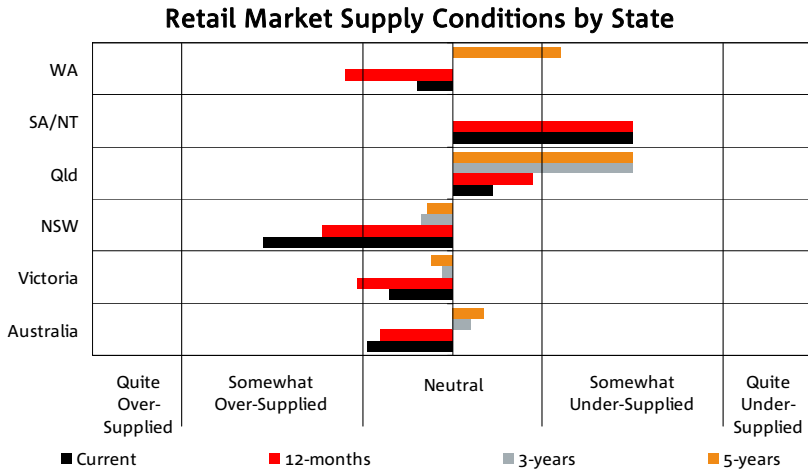
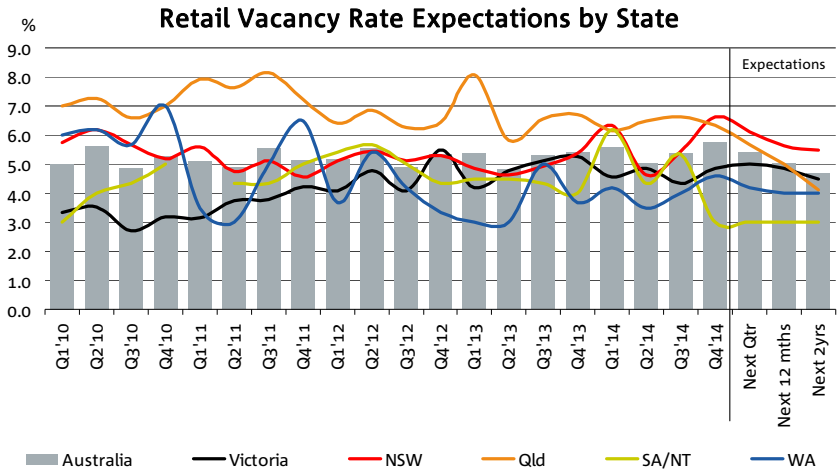
Retail Gross Rental Expectations by State



NAB Commercial Property Survey: Retail Property Market

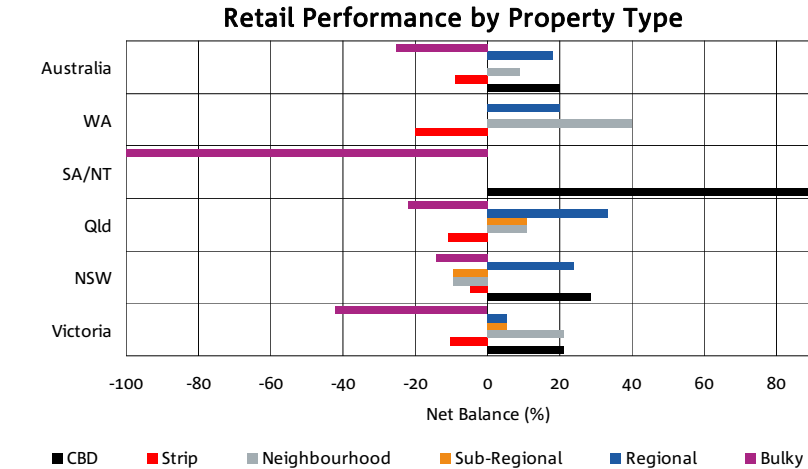
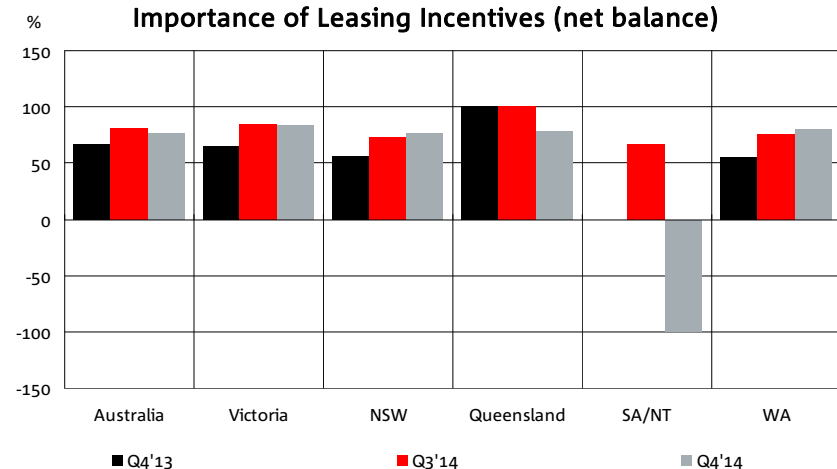
Retail vacancies higher in NSW, VIC & WA, but fall in SA/NT & QLD. Property professionals see retail vacancy rates falling in all state markets over the next 1-2 years.

Retail property markets currently assessed as “somewhat” over-supplied in NSW. Balanced in all other markets except SA/NT. Market to be broadly balanced in most states over 3-5 years.



Importance of leasing incentives in retail markets reduces in SA/NT, QLD and marginally lower in VIC (but most important overall). Incentives higher in NSW & WA.

CBD best location for retail property in all states, except QLD (regional best) & WA (neighbourhood); bulky goods worst in all states, with strip also under-performing.



Group Economics

Alan Oster
Group Chief Economist
+61 3 8634 2927

Jacqui Brand
Personal Assistant
+61 3 8634 2181

Australian Economics and Commodities

Vacant
Head of Australian Economics
+61 3 8634 1663

James Glenn
Senior Economist – Australia
+61 3) 9208 8129

Vyanne Lai
Economist – Agribusiness
+61 3) 8634 0198

Karla Bulauan
Economist – Australia
+61 3) 86414028

Industry Analysis

Dean Pearson
Head of Industry Analysis
+61 3) 8634 2331

Robert De lure
Senior Economist – Industry Analysis
+61 3) 8634 4611

Brien McDonald
Economist – Industry Analysis
+61 3) 8634 3837

Amy Li
Economist – Industry Analysis
+61 3) 8634 1563

International Economics

Tom Taylor
Head of Economics, International
+61 3 8634 1883

Tony Kelly
Senior Economist – International
+61 3) 9208 5049

Gerard Burg
Senior Economist – Asia
+61 3) 8634 2788

John Sharma
Economist – Sovereign Risk
+61 3) 8634 4514

Global Markets Research

Peter Jolly
Global Head of Research
+61 2 9237 1406

Australia Economics
Spiros Papadopoulos
Senior Economist
+61 3 8641 0978

David de Garis
Senior Economist
+61 3 8641 3045

FX Strategy
Ray Attrill
Global Co-Head of FX Strategy
+61 2 9237 1848

Emma Lawson
Senior Currency Strategist
+61 2 9237 8154

Interest Rate Strategy
Skye Masters
Head of Interest Rate Strategy
+61 2 9295 1196

Rodrigo Catril
Interest Rate Strategist
+61 2 9293 7109

Credit Research
Michael Bush
Head of Credit Research
+61 3 8641 0575

Simon Fletcher
Senior Credit Analyst – FI
+61 29237 1076

Equities
Peter Cashmore
Senior Real Estate Equity Analyst
+61 2 9237 8156

Distribution
Barbara Leong
Research Production Manager
+61 2 9237 8151

New Zealand

Stephen Toplis
Head of Research, NZ
+64 4 474 6905

Craig Ebert
Senior Economist
+64 4 474 6799

Doug Steel
Markets Economist
+64 4 474 6923

Kymerly Martin
Senior Market Strategist
+64 4 924 7654

Raiko Shareef
Currency Strategist
+64 4 924 7652

Yvonne Liew
Publications & Web Administrator
+64 4 474 9771

UK/Europe
Nick Parsons
Head of Research, UK/Europe,
and Global Co-Head of FX Strategy
+ 44207710 2993

Gavin Friend
Senior Markets Strategist
+44 207 710 2155

Tom Vosa
Head of Market Economics
+44 207710 1573

Simon Ballard
Senior Credit Strategist
+44 207 710 2917

Derek Allassani
Research Production Manager
+44 207 710 1532

Important Notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances. NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it. Please click [here](#) to view our disclaimer and terms of use.