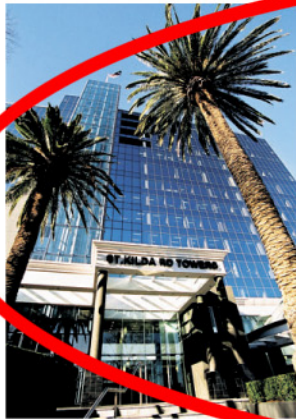


Commercial property investment

Advertising feature



Tower creates 'city within a city'

Asian Pacific Building Corporation's \$180 million tower project at 1 Queens Road formally opened its doors on November 1, with the corporation proudly pointing to \$1.5 billion worth of business humming through its arteries. APBC says the restaurant, bank, florist, hair and beauty spa, car wash, travel agent, newsagent, drycleaner and food plaza are

now serving more than 10,000 people a day, as the building becomes a "city within a city". The redevelopment of the \$180 million St Kilda Rd Towers was the largest ever undertaken in Melbourne. Asian Pacific Building Corporation director Jonathan Deague said more than 85 per cent of the building had now been sold, with just 40 office

suites remaining for sale or lease. The offices are linked together by the "latest communications systems, business facilitation programs and networking programs that allowed the building to generate business for its occupants". For details, call Jonathan Deague at Asian Pacific Building Corporation on 9622 1600.

The ticking clock is about to go 'boom'

The commercial property market is on the upswing and headed for a boom period, with industrial property experiencing strong growth and the retail sector already booming, according to the latest six-monthly indications survey by the Australian Property Institute.

The survey measured the sentiment and expectations of prominent valuers, fund managers, property analysts and property financiers in September this year — with the base analysis done by the University of Western Sydney. The survey (see clock key graphic) uses a clock system to indicate commercial property market conditions, with 12 o'clock representing the height of a boom period, three o'clock midway through a downswing, six and o'clock being the low point of a bust. In the current property clock, the greatest growth potential is seen to be commercial property in Sydney and Melbourne. Further growth potential is

Melbourne would still have the greatest growth potential. Industrial property was predicted to be moving closer to its zenith over the next year. Similarly to the April 2005 survey, retail property was seen as being past its peak, and residential property was at the bottom of the cycle.

The survey predicted that in two years' time, there would still be significant growth potential in commercial property in Sydney and Melbourne. Industrial property was seen as being at its peak in Sydney and Brisbane, but with some growth potential in Melbourne.

All three cities were seen as being in a downswing for retail property two years from now, with Melbourne and Sydney residential property in the upswing. Retail property was seen as currently being near the top of the cycle, and is projected to move into a downswing over the next two years.

Almost half the respondents said non-residential property was unlikely to outperform the equity markets over the next year. For three years out, 38 per cent predicted that the non-residential property sector would perform the same or better than the equity markets, a change in sentiment from the April survey. Five years out, the predictions were less positive that non-residential property performance would outperform equity markets.

Unlike the survey for the same period last year, overall commercial property in the CBDs of Sydney, Melbourne and Brisbane are now predicted to have greater growth potential than retail property. Market values and rents in Sydney and Melbourne suburban CBDs showed positive predictions for commercial property, rather than the negative predictions of twelve months ago.

Landmark offices up for grabs

Property investment specialists TBM Commercial will auction a new office building next Thursday at 233-235 Blackburn Road, Mount Waverley.

TBM Commercial's Stanley Spicer, who is handling the auction, says it is an impressive property: "The moment the first ad appears, the phone will be running hot," he says.

"It is a cutting edge design landmark building with a commanding presence, set high on a strategic corner — and it has brilliant

exposure to high volume passing traffic. It is like a huge billboard for something very high tech and fabulous."

The building has about 840 square metres on the first floor serviced by a lift, and parking for 26 cars and the entrance at ground level.

Mr Spicer says that apart from ease of access for staff and clients, office buildings such as 233-235 Blackburn Road offer brilliant value for money at a fraction of the replacement cost of their CBD and city fringe equivalents.



The auction is scheduled for Thursday November 24 at 2 pm, and the anticipated sale price is around \$2.5 million. For more information call Stanley Spicer at TBM Commercial on 8532 2222 or 0418 172 939.

Warehouse promises an attractive yield.

Investors will have the opportunity to buy a securely leased commercial property on Thursday, December 1 at 12 noon, when agents Gray Johnson offer the office warehouse complex at 8 - 10 Cope Street, Preston for auction.

The property, on the corner with Rex Street, is securely leased with two further three-year options to Tuftmaster Carpets, an Australian owned manufacturer of premium carpets.

Gray Johnson selling agent, Simon Woodman, says the long-standing tenant pays an annual rental of \$128,700 plus outgoings, for the "good quality brick building" incorporating a warehouse with adjoining offices.

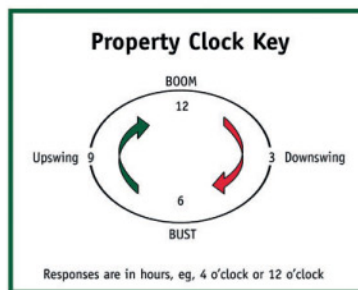
"The property has a land area of 2,400 square metres, including off-street parking for 20 vehicles," he said. "We expect bids in the \$1.4 million range, which would offer the purchaser a relatively strong yield of the order of 9 per cent." For more information, call Gray Johnson on 9654 3022.

New global player hits town

For as long as people can remember, there have only been four real estate groups in Melbourne with major international exposure. Now there are five. The giant NAI Global Network says it is "set to make waves" in the local industry with a company to be known as NAI Melbourne. With more than 300 offices in 40 countries, and an annual transaction volume of more than US\$30 Billion, NAI Global ranks as one of the world's leading commercial real estate groups.

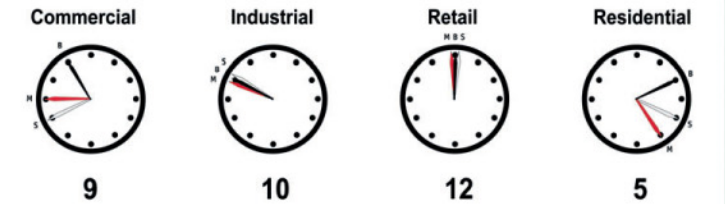
NAI Melbourne director Ross Mercorillo said the new arrangement gave the company an important edge. "We're still an Australian company managed by Australians, with all the local knowledge and expertise that's so important in commercial real estate," he said. "Only now we're part of one of the world's biggest real estate groups with real global reach. That's a powerful combination. If other companies want to keep up with us, they're going to have to work harder and get more innovative."

NAI Melbourne also plans to expand into other Australian states in the near future. For more information call Emily Smallwood on 9223 0988.

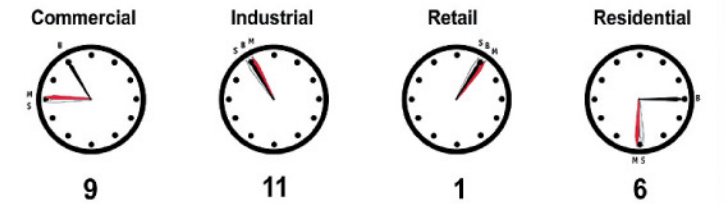


indicated for industrial property, and retail property is at its zenith. Residential property was included in the survey for the first time, and it is approaching "bust". Respondents predicted that in a year's time, commercial property in Sydney and

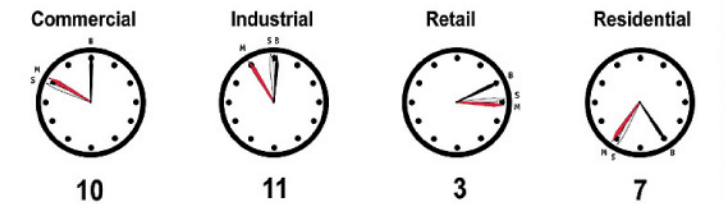
Melbourne - September 2005



Melbourne 2006 - one year's time



Melbourne 2007 - two year's time



Predictions for industrial property growth for all three cities were also stronger than a year ago. Estimates for leasing incentives in the current commercial leasing market were made as an annual percentage over a five-year lease — eg. ten per cent equalled a six month rent free period, or equivalent value of incentives, for a five year lease.

The vast majority of respondents saw incentives as a feature in the current commercial leasing markets in all cities. The majority of respondents saw incentives for A grade and other properties in Sydney and Melbourne to be in the 20 to 29 per cent range or higher, whereas levels of incentives were seen as lower for prime properties.