



LEASE EQUITY

PROPERTY MARKET REVIEW

JIM TSAGALIS



OFFICE MARKET



OFFICE MARKET OUTLOOK

- 8 new office buildings will be added to the CBD in 2015
- Since 2000, 800,000m² of office space has been added
- The city is having indigestion trying to digest the huge upswing in supply. This has resulted in a rapid spike in Perth's office vacancy rate, with a further rise expected.
- Office vacancies are expected to rise to between 20 and 25 % before the end of 2018.

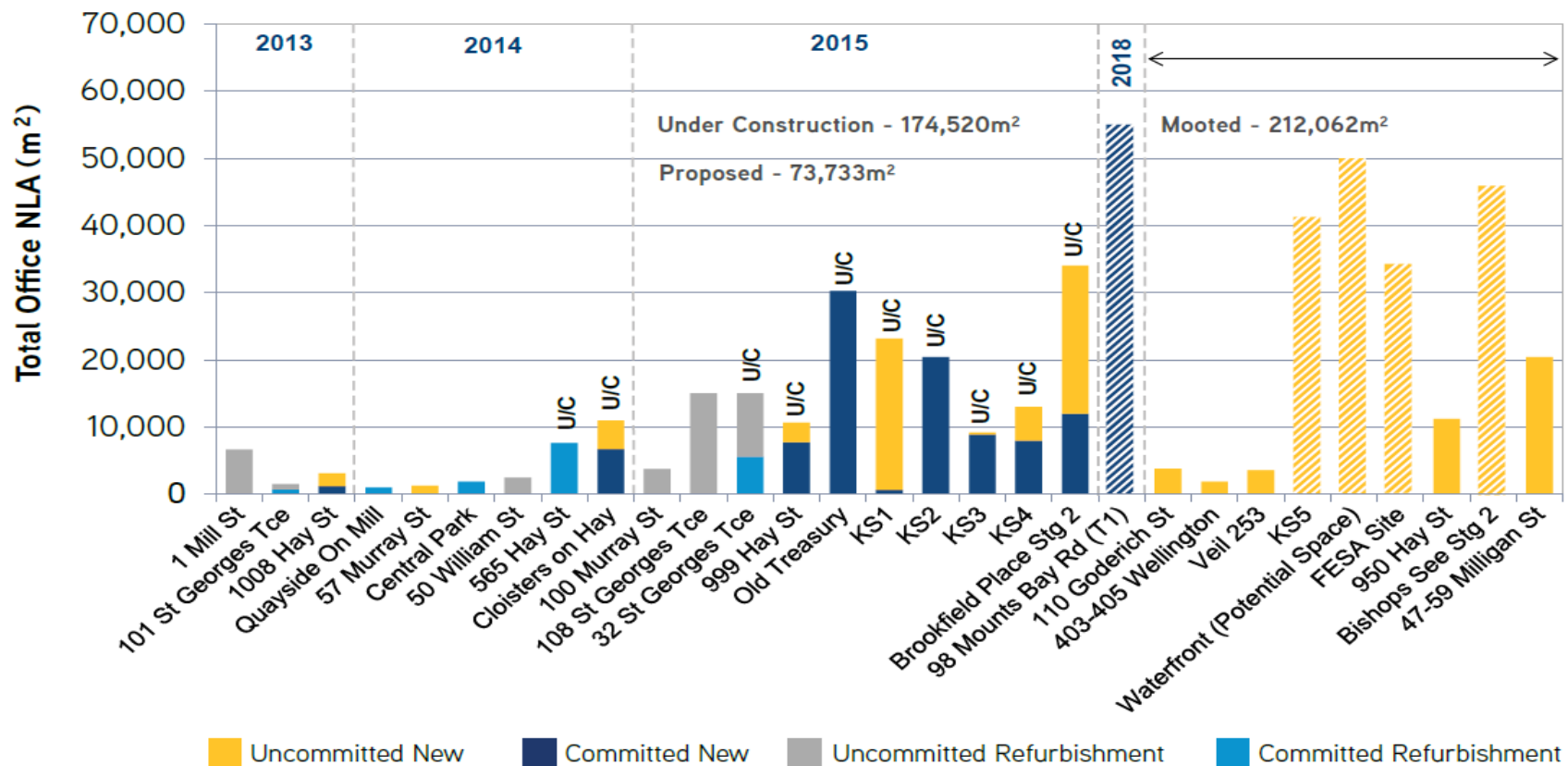
OFFICE MARKET OUTLOOK

- Office market is extremely competitive and is very much lease expiry driven.
- “A tenant’s market” - softening rents and increasing incentives
- Owners and developers are seeking tenants to either anchor new projects or back fill existing buildings as a result of current and foreseen expiries.
- Major mining, resource and engineering groups are contracting and consolidating.
- Lower CBD office rents are attracting more of service based tenants back into the Perth CBD.
- Shift to quality - Tenants relocating from B Grade to A Grade quality stocks.
- The slowdown was inevitable as it is a natural part of the cycle.
- The increase in office vacancies is due to the vast amount of stock that has recently come onto and is due to hit the market by the end of 2015.

OFFICE MARKET

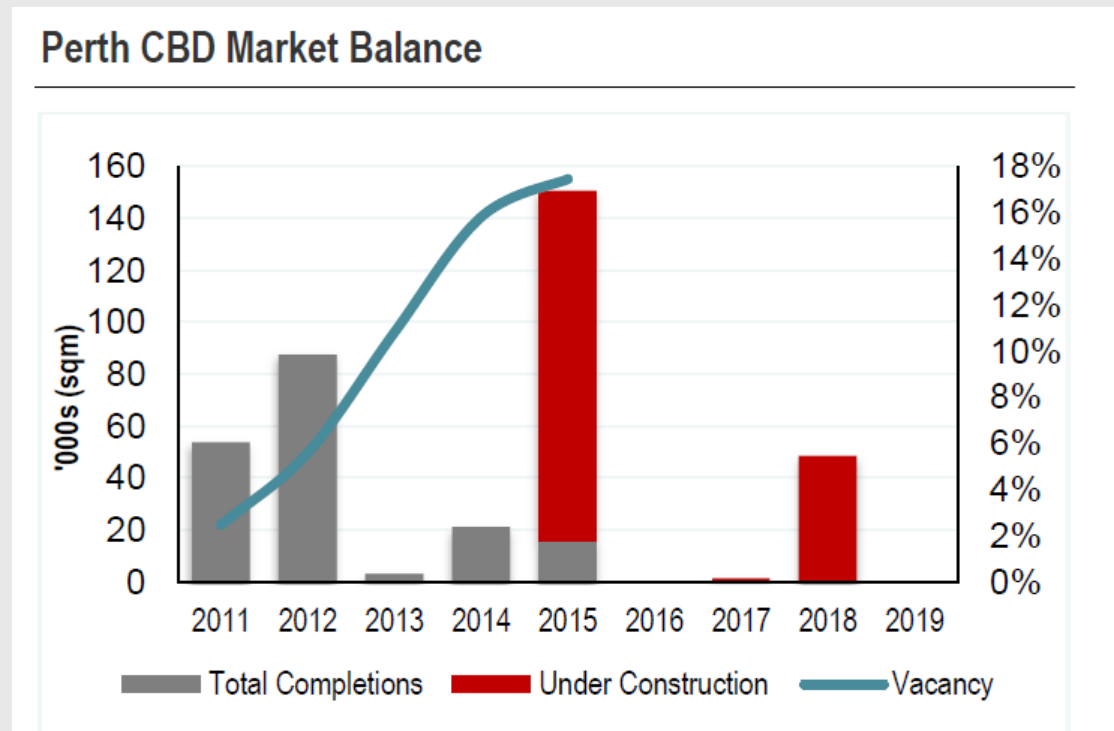
OFFICE CONSTRUCTION

PERTH CBD OFFICE SUPPLY



PERTH OFFICE MARKET

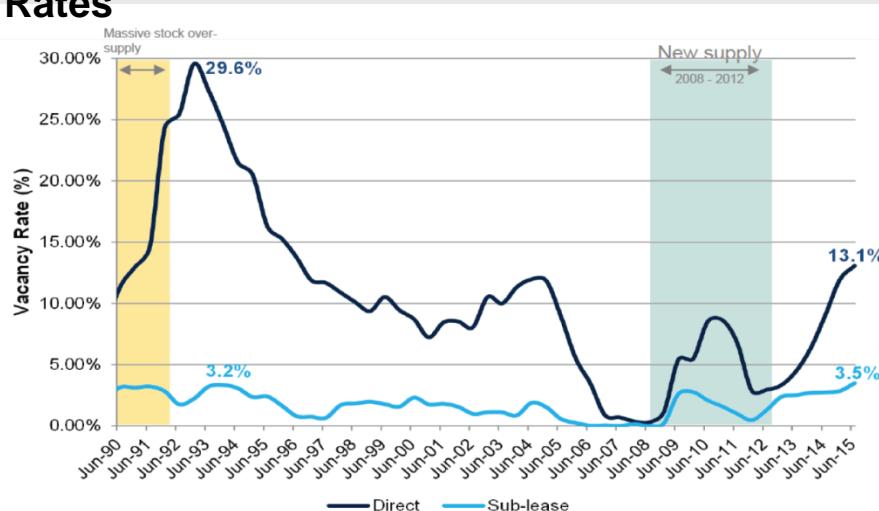
- Consistent rise in office vacancy given the level of office construction over the past few years
- It will continue to rise due to the vast amount of space due for completion in 2015



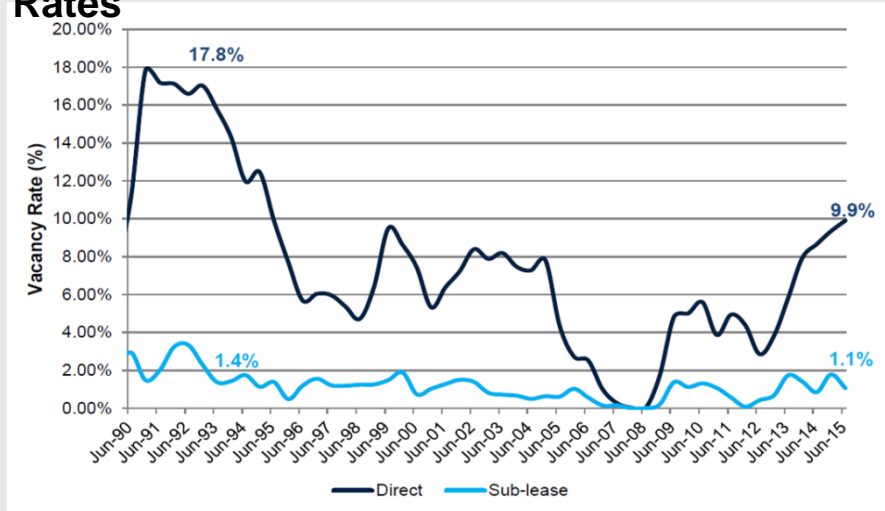
PERTH CBD VS WEST PERTH VACANCY RATES

Office Market	Vacancy Rate July 2014	Vacancy Rate January 2015	↑ ↓	Vacancy Rate July 2015
Perth CBD	11.8%	14.8%		16.6%
West Perth	9.5%	11.1%		11.0%

Perth CBD Sub Lease vs Direct Vacancy Rates



West Perth Sub Lease vs Direct Vacancy Rates

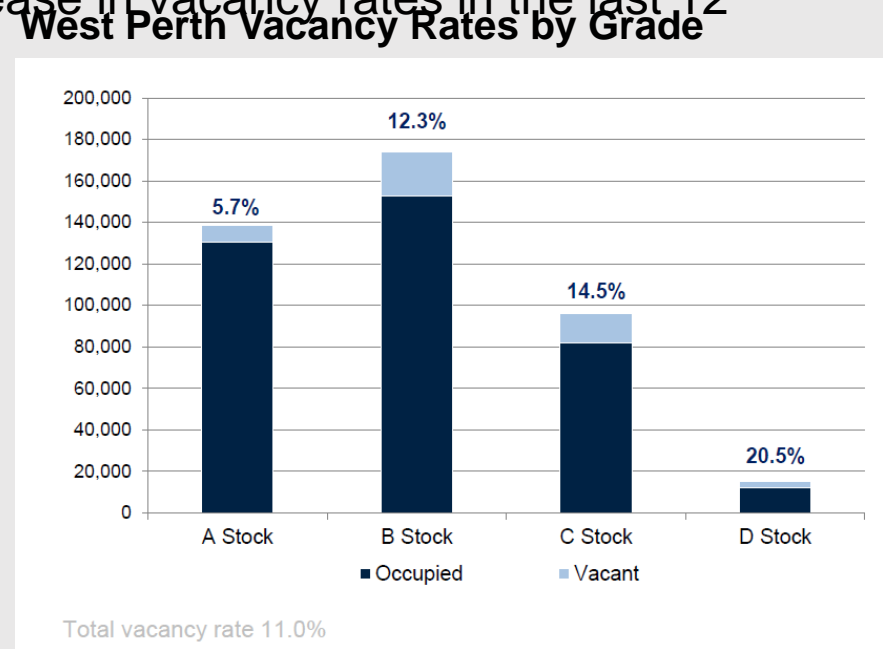
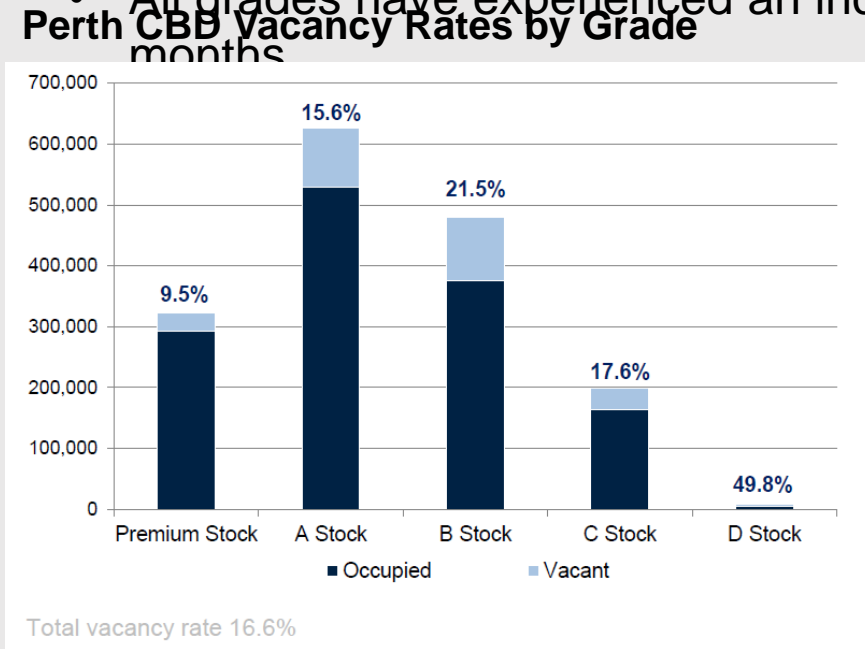


OFFICE MARKET

VACANCY RATE BY GRADE

- Both Perth CBD and West Perth have higher vacancy rates in lower grade stock

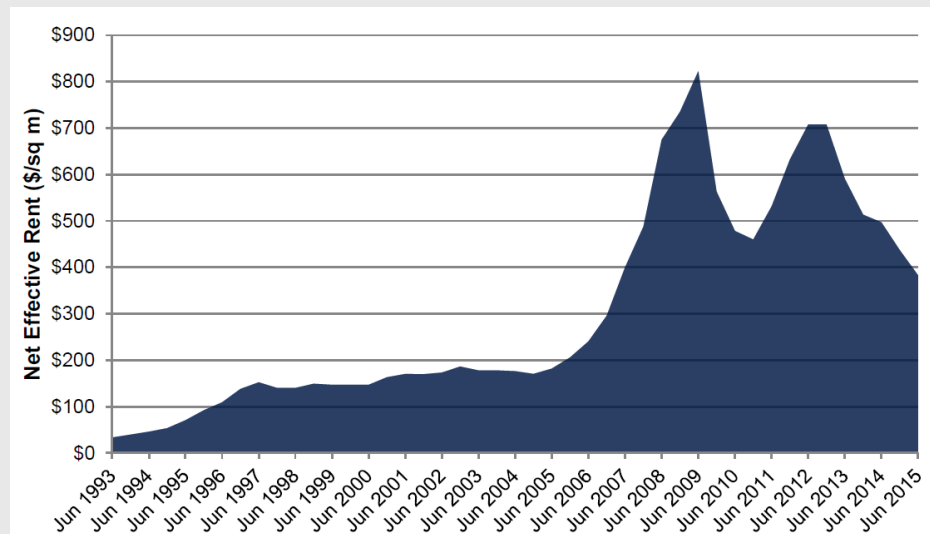
- All grades have experienced an increase in vacancy rates in the last 12 months



August 2015

A GRADE EFFECTIVE NET RENTS

- Effective net rents have fallen 42% since June 2012
- Prime gross effective rents decreased by 3.7% during the 2nd quarter of 2015 to an average of \$524 per sqm p.a.
- Incentives increased by 3 months during second quarter, 2015, to 45 months' rent free (based on a 10 year lease), equates to 37.5% rent free
- The level of incentive varies based between building grades, based on the quality and facilities and the face net rental



NET FACE RENTS

- As at September 2015, net face rents in Perth typically range
 - Premium Grade - \$625 to \$775 per square metre per annum
 - A Grade - \$500 to \$700 per square metre per annum
 - B Grade - \$300 to \$400 per square metre per annum
- The average A Grade net face rent is \$600 per square metre per annum, a 9.0 percent decline over the 12 months to September 2015.
- Incentives have been increasing in the Perth office market since late 2013, resulting in a decline in effective rents.
- It is estimated that as at September 2015 incentives across Prime grade in the CBD are close to 45 percent and in some cases above (Savills, September 2015)

SUBURBAN OFFICE MARKET

- Rentals have continued to fall as tenants can now afford better quality, relocating to newer buildings in better locations
- Small office/commercial precincts such as Leederville, Joondalup, Stirling and South Perth, whilst face rents have reduced, incentives still remain much lower than areas such as West Perth and Perth CBD due to less competing stock.

INDUSTRIAL MARKET



CHANGES TO INDUSTRIAL MARKET

- More trade is moving to eCommerce however it remains relatively small compared to traditional bricks and mortar retailing – E.g. Catch of the Day
- Globalisation of logistics – Major changes in ownership
 - Toll Group is now part of Japan Post
 - Australia Post is the sole shareholder in Startrack and is rapidly reinventing itself as a logistics service provider
 - Brookfield has made a takeover bid for Australian freight logistics company Asciano
- These changes in ownership has resulted in an enormous growth in the amount of industrial floor space these groups occupy as well as significant investment in more sophisticated and automated warehousing facilities.
- New term for very large warehouses – Campus Style Distribution Centres are now a requirement for major groups such as DHL and CEVA. Both groups are looking at distribution centres in excess of 75,000m². This trend is expected to continue in global warehousing

CHANGES TO INDUSTRIAL MARKET

- New term for very large warehouses – Campus Style Distribution Centres are now a requirement for major groups such as DHL and CEVA. Both groups are looking at distribution centres in excess of 75,000m².
- This trend is expected to continue in global warehousing.
- In Asia, most cutting edge facilities are now at lease 150,000m² with Interlink in Hong Kong comprising 213,000m² and Logistic Republic – Taipei Park expected to comprise 264,000m² on completion.
- Australia Post has been impacted by the rise of email and digital billing with the postage business experiencing a significant decline in mail volumes. The letter business posted a \$328.4 million loss over the 2013-2014 period.
- Australia Post has an unrivalled retail network of over 4,000 stores with more than half located in rural areas.
- Despite the unrivalled retail network, Australia Post is required to evolve and innovate

PERTH INDUSTRIAL MARKET

- Continued to soften during the September 2015 quarter after experiencing some moderation in rents and land values over the first half of 2015
- Lower business sentiment and moderating domestic demand has been the main driver of low tenant demand
- Rental contractions continues to impact small to medium assets, more so than large assets.
- Larger assets are now experiencing falling demand and the increase in vacancies is impacting rents.
- The fall in demand for hardstand across rates of the metropolitan area is causing rental levels to return to pre-boom between \$10/m² and \$20/m²

RESIDENTIAL MARKET

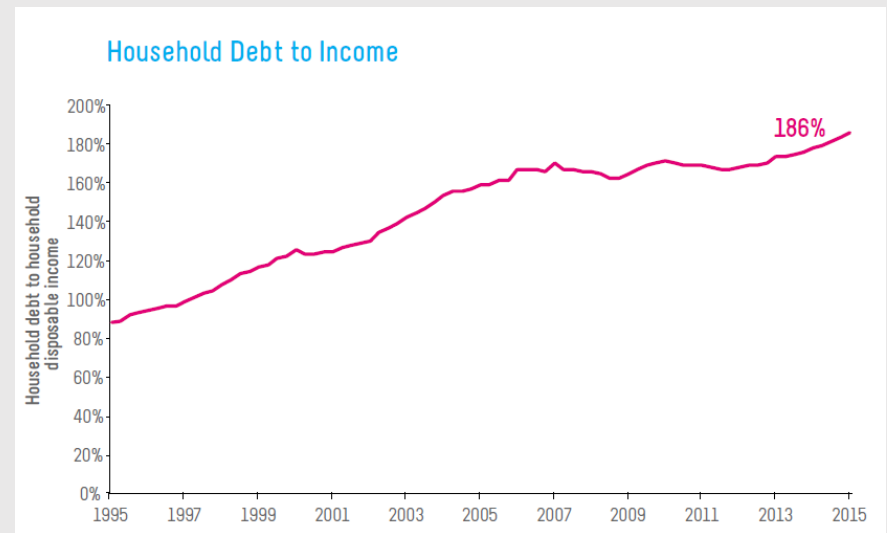
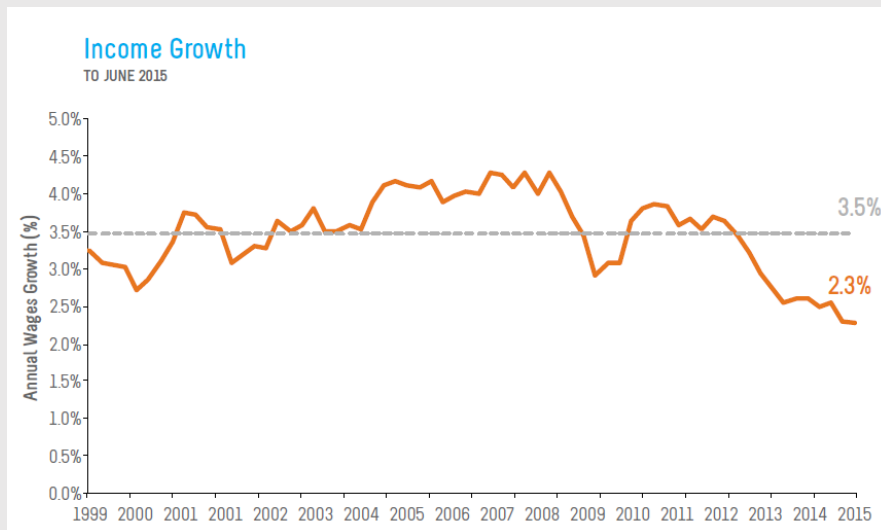


INNER PERTH APARTMENT MARKET

- 20% of new dwellings will be apartments by 2020 (Master Builders Association and Y Research, 2015)
- Research indicates approximately 75% of future apartment supply will be located in mid-rise and high-rise buildings, which will bring new retail offerings and suburban employment hubs.
- Long –term rental vacancy rate average was between 3% – 3.5%, currently 5.6% in the metropolitan area (REIWA, October 2015)
- 121 apartment projects are under construction, approved or being designed in 19 suburbs within 5 km of the Perth CBD.
- If and when completed, these projects could add 10,685 apartments to the inner city market by 2020 – a 56 per cent increase on current supply.
- In the 15 years since 2000, 51.5 % of existing supply has been built.
- 1613 new apartments will finish construction in 2015 in Perth’s inner city precinct. A 52.2% increase of the previous 2010 record.
- Northbridge, due to the Perth City Link, Burswood, due to the new football stadium, and the Perth CBD due to Elizabeth Quay are hot spots for future development.

WESTERN AUSTRALIAN HOUSEHOLD SNAPSHOT

- Low wages growth
- Increasing debt



November 2015

RESIDENTIAL MARKET

HOTEL DEVELOPMENT

- Approved DA's for 25 hotel/residential developments (including refurbishments)
- Approximately an additional 4,500 hotels/short stay apartments
- Inline with promotion of activity centres with an increased number of hotel proposed near shopping centres
- This will create supply that will need to be met



RESIDENTIAL MARKET

HOTEL DEVELOPMENT

HOTEL	LOCATION	NUMBER OF ROOMS	STAGE OF DEVELOPMENT	STAR	YEAR EXPECTED
Como The Treasury	Treasury Building	48	Completed	6 star	Completed
Terrace Hotel	St Georges Terrace, Perth	15	Completed	5 star	Completed
Frasers Suites	10 Adelaide Terrace, East Perth	236	Completed	5 star	Completed
Bailey's Service Apartments	63 Bennett St, East Perth	25	Completed	4 star	Completed
Alex Hotel Northbridge	Northbridge	74	Completed	4.5 star	Completed
Hougoumont Hotel	7-15 Bannister St, Fremantle	92	Completed	4 star	Completed
City Lights Best Western	137 Newcastle St, Northbridge	46	Under Construction	4 star	2015
Sage Hotel	West Perth	94	Under Construction	4 star	2016
Rydges Perth	Existing Kings Hotel, 525 Hay Street, Perth	174	Refurbishment	4 star	2016
DoubleTree by Hilton	Waterfront	241	Committed	4 star	2016
DoubleTree by Hilton	2 Point St, Fremantle	155	Committed	4 star	2016
Holiday Inn	788 Hay Street, Perth	182	Refurbishment	4.5 star	2016
Quest	Adelaide Terrace, East Perth	130	Under Construction	4.5 star	2016
Quest	Pakenham Street, Fremantle	73	Under Construction	4.5 star	2016
Quest	Mounts Bay Road, Perth	71	Under Construction	4.5 star	2016
Quest	Kings Park Road, Perth	72	Under Construction	4.5 star	2016
Crown Towers	Burswood	500	Under Construction	5 star	2016
DoubleTree by Hilton	Northbridge	205	Under Construction	4 star	2017
AVANI Hotel	Adjacent to Perth Arena	250	Committed	4.5 star	2017
InterContinental	Existing Rydges Hotel, 815 Hay Street	240	Refurbishment	5 star	2017
AVANI Residences	Adjacent to Perth Arena	200 one & two bedroom apartments	Committed	TBA	2017
The Westin	Old Perth FESA House	320	Committed	5 star	2018
The Ritz-Carlton Perth	The Towers at Elizabeth Quay	205 rooms 375 luxury apartments	Committed	5 star	2018
Hampton Inn by Hilton	Cockburn Central	146 rooms 109 apartments	Committed	3.5 star	TBA
The Courtyard by Marriott	609 Wellington Street	332	Committed	TBA	TBA
Mantra Hotel	623 Wellington Street	120	Committed	TBA	TBA

RETAIL MARKET



CBD SHOPPING CENTRES

- Perth CBD Retail market has softened.
- Majority of Perth CBD fashion retailers within enex100, Carillon City, Wesley Quarter, Forrest Chase and the Hay Street and Murray Street Malls have experienced minimal growth or a decrease in turnover.
- “A Tale of Two Malls”
- Landlords are generally accepting rent reductions and/or offering incentives to retain existing tenants and/or attract new tenants.
- Large scale construction and road works throughout the Perth CBD continue to cause high levels of traffic congestion.
- Greater appeal of larger and improved shopping centres (e.g. Lakeside Joondalup):
 - Extended trading hours
 - Free parking
 - Weather protected shopping environment
 - Comparable retail offering

CBD RETAIL MARKET INDICATORS

- WA has the highest CBD retail vacancy rate in Australia at 3.5%
- It is the only state to increase the average incentive
- Perth's vacancy rate is higher than 3.5% however the data below is impacted by the William Sonoma deal in which over 2,000 sqm was leased

Region	Average Gross Face Rent (\$/m2 pa)		Average Incentive		Vacancy Rate	
	Sep-14	Sep-15	Sep-14	Sep-15	Sep-14	Sep-15
Sydney	\$ 8,640	\$ 8,775	10%	10%	2.4%	2.89%
Melbourne	\$ 7,750	\$ 7,500	4%	4%	2.9%	3.20%
Brisbane	\$ 3,250	\$ 4,400	17%	10%	2.70%	1.30%
Adelaide	\$ 3,100	\$ 3,000	14%	14%	3.70%	3.30%
Perth	\$ 3,025	\$ 2,850	6%	10%	3.60%	3.50%

RETAIL MARKET



REGIONAL SHOPPING CENTRES

- Low vacancy rate
- Mini majors and specialty stores still performing whilst department stores are losing market share
- MAT close to Eastern States Shopping Centres despite the smaller GLA

Averages	WA Only	Nationwide (Excluding WA)
Centre GLA	67,237 m ²	84,404m ²
Reported MAT – Retail	\$480.6 M	\$494.6M
Retail Specialty Average Trading Levels	\$12,318/m ²	\$10,083/m ²
Retail Specialty Rent	\$2,073/m ²	\$1,758/m ²
Retail Specialty Occupancy Cost Rates	16.7%	17.3%
Specialty Vacancy Rate	1.4%	3.2%

Note: Research data excludes Shopping Centres undergoing redevelopment

Source: Urbis, November 2015₂₄

RETAIL MARKET



SUB REGIONAL SHOPPING CENTRES

- Higher vacancy rate
- Benefitted from policy restricting the size of regional shopping centres as evident with larger floorplates than Eastern State Sub Regional Shopping Centres

Averages	WA Only	Nationwide (Excluding WA)
Centre GLA	31,319 m ²	26,999m ²
Reported MAT – Retail	\$219.1 M	\$157.4M
Retail Specialty Average Trading Levels	\$8,999/m ²	\$8,084/m ²
Retail Specialty Rent	\$1,318/m ²	\$1,126/m ²
Retail Specialty Occupancy Cost Rates	14.6%	13.8%
Specialty Vacancy Rate	4.1%	7.7%

Note: Research data excludes Shopping Centres undergoing redevelopment

Source: Urbis, November 2015

NEIGHBOURHOOD SHOPPING CENTRES

- Higher vacancy rate
- Western Australian Neighbourhood Shopping Centres are substantially larger than Eastern States

Averages	WA Only	Nationwide (Excluding WA)
Centre GLA	9,092 m ²	7,876m ²
Reported MAT – Retail	\$63.9 M	\$62.4M
Retail Specialty Average Trading Levels	\$6,689/m ²	\$7,794/m ²
Retail Specialty Rent	\$774/m ²	\$960/m ²
Retail Specialty Occupancy Cost Rates	11.3%	12.3%
Note: Research data excludes Shopping Centres undergoing redevelopment		Source: Urbis, November 2015
Specialty Vacancy Rate	4.1%	7.7%

RETAIL MARKET

STRIP RETAIL

- Significantly impacted by shopping centres and major developments
- Limited appeal to international retailers which is one of the drivers of visitation
- Potential to capture and promote their local market by differentiating themselves from shopping centres

Location	Gross Rent (m ²)	Incentive (Months)	Vacancy Rate
Cottesloe	\$600 - \$1,000	3 – 5	3% Napoleon Street
Claremont	\$1,100 - \$1,500	3 – 12	15% Bay View Terrace
Nedlands	\$300 - \$ 600	Limited incentives required	5% Hampden Road
Subiaco	\$500 - \$900	3 – 12	15% Rokeby Road
Leederville	\$500 - \$900	2 - 3	5% Oxford Street

Source: Lease Equity, November 2015

CHANGES TO SHOPPING CENTRES

- Government imposed size limits to WA Shopping Centres contributed to the undersupply of Retail Space
- Lifting of size restrictions in WA will bring with it the beginning of new retail developments
- Landlords encouraged to include residential, leisure and lifestyle precincts in shopping centre D.A.'s
- In 2005, 32 centres exceeded 70,000m² GLA nationwide, currently there are 50 shopping centres (Shopping Centre News, November 2015)
- At present 5 WA shopping centres have a GLA of $\geq 70,000\text{m}^2$ out of 152 shopping centres (BNIQ, November 2015). Following redevelopments 2 more shopping centres will exceed this size

RETAIL MARKET

EXPANSION OF SHOPPING CENTRES

Shopping Centre	Existing (m ²)	Expansion (m ²)	New Total (m ²)
Westfield Carousel	83,010	47,220	130,230
Garden City	70,000	50,000	120,000
Karrinyup Shopping Centre	59,175	53,825	113,000
Whitford City Shopping Centre	76,985	27,000	103,985
Lakeside Joondalup	74,105	25,000	99,105
Westfield Innaloo	51,300	47,700	99,000
Midland Gate	57,580	24,000	81,580
Cockburn Gateway	39,760	20,000	59,760
Mandurah Forum	34,859	24,000	58,859
Kingsway City Shopping Centre	26,263	22,000	48,263
Kwinana Marketplace	29,240	12,500	41,740
Oceans Keys Shopping Centre	22,548	14,000	36,548
Halls Head Shopping Centre	5,979	12,500	18,479

Note: Excludes Greenfield and CBD developments



SPECIALTY STORES

- Total Additional Retail Area Planned for Shopping Centres – 400,000m² approx.
- Applying Major: Specialty Ratio – 40%
- Total Additional Specialty Shops – 160,000m²
- Or, an additional **1,280* shops** (approximately)

*Estimated at 125m² per shop

*Excluding Greenfield, CBD, airport, hospitals, etc.

RETAIL MARKET

MAJOR REGIONAL SHOPPING CENTRE EXPANSIONS

Exterior of Karrinyup Shopping Centre



KARRINYUP SHOPPING CENTRE

- AMP Capital lodged a DA to redevelop and increase the retail footprint by 53,825m²
- New retail footprint to be 113,000m²
- Target international large format retailers
- Enhance David Jones and Myer and provide a full line offer
- Proposed development to include residential apartments, dining and entertainment precinct, fresh food precinct and an additional supermarket

Exterior of Westfield Carousel



WESTFIELD CAROUSEL

- DA submitted to increase size by 47,220m² and reclaim title as largest shopping centre in WA
- New retail footprint to be 130,230m²
- Maximise synergy with Hoyts Cinema with creation of new leisure and dining precinct fronting Albany Highway
- Proposed civic and community hub at the corner of Cecil Avenue and Carousel Road
- DA to kick-start City of Canning's city centre high street proposal on Cecil Avenue

MAJOR REGIONAL SHOPPING CENTRE EXPANSIONS

Exterior of Garden City



GARDEN CITY

- Increased footprint from 77,220m² – becoming one of the largest 15 shopping centres in Australia
- New retail footprint to be 120,000m²
- Already ranked number 1 for specialty sales per sqm in WA for more than 10 years
- First Zara in W.A.
- Redevelopment to include expanded David Jones, new supermarket and DDS, leisure & lifestyle precinct and residential

Exterior of Westfield Innaloo



WESTFIELD INNALOO

- Redevelopment to increase size by 47,700m²
- New retail footprint to be 99,000m²
- Redevelopment to include rooftop dining precinct with a new cinema complex
- Retail, entertainment, commercial and community space, creating a new world class lifestyle hub

RETAIL MARKET

RISE OF FOOD AND BEVERAGE

- Rise of quick serve, bar and restaurant Food and Beverage precincts in all shopping destinations including strip retail
- Repositioning stereotype of Fast Food
- ‘Food is Fashion’
- Increase dwell time in Shopping Centre redevelopments
- Examples include:
 - 140
 - Brookfield Place



Brotzeit, 140 – Perth CBD



East Village, 140 – Perth CBD



Café Court, Brookfield Place

RISE OF FOOD AND BEVERAGE

- CBD office blocks will introduce more Food and Beverage options
- Led by Brookfield Place
- Food and Beverage is part of attracting and retaining office tenants
- All existing and proposed developments are incorporating Food and Beverage options



RETAIL MARKET

RECENT INTERNATIONAL ENTRANTS



ZARA

- 2 level, \$10 million store on Murray Street Mall
- Setting new benchmark of International Fashion Retailers in Perth
- Open for trade in October 2014



TOPSHOP

- 2 level store in Carillon City fronting Murray Street Mall
- Open for trade end of October 2014
- First time Zara & Top Shop will be retail neighbours



H&M

- Likely to be confirmed for Perth GPO opposite Forrest Chase
- First W.A. store to opened at Lakeside Joondalup August 2015
- Perth store likely to open in late 2016



WILLIAMS SONOMA

- Williams-Sonoma, West Elm, Pottery Barn and Pottery Barn Kids all under the one roof
- 1,950m2 store opened July 2015 on a 15 year term with two 5 year options
- Estimated turnover of \$15 million

RETAIL MARKET



BIG BOX INTERNATIONALS

- International invasion
- Biggest change to Retail Landscape in 50 years
- Regional Centres will build to accommodate



FOREVER 21

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MARKS &
SPENCER



TESLA

SEPHORA

RIVER ISLAND

SAMSUNG



VICTORIA'S SECRET

DEBENHAMS

RETAIL MARKET

INTERNATIONAL RETAILERS - DEMAND

Retailer	Stores in Australia		Estimated Average Store Size	Incremental GLA Demand
	Existing Stores	Target Number		
Zara	13	20	1,250	8,750
Zara Home	2	10	600	4,800
Top Shop	6	20	1,850	25,900
H&M (Flagship)	8	10	2,000	4,000
COS	2	10	250	2,000
Uniqlo	7	30	1,750	40,250
Forever 21	3	5	836	1,672
Banana Republic	-	5	600	3,000
GAP	6	25	600	11,400
Debenhams	0	15	4,500	67,500
Muji	3	10	750	5,250
Microsoft	1	0	250	3,500
Marks & Spencer	-	5	2,500	12,500
Sephora	2	25	600	13,800
Sony	4	10	400	2,400
Samsung	2	20	400	7,200
Tesla	1	10	300	2000
Victoria's Secret	8	20	200	2,400
Under Armour	-	10	1,500	15,000
Mr Price	2	100	1,000	98,000
Total	243	639		403,641

NEW LARGE FORMAT ENTRANTS



- New large format retailers have recently entered or expected to enter the Australian market including:
- LIDL – Given Aldi’s successful infiltration of the market, Lidl is expected to follow a similar strategy and store layout model.



- TJ MAXX – It is understood that the US parent company TJX plans to open as many as 10 stores per year in Australia over the next 10 years. TJ Maxx presents a viable distribution channel for brands which have excess stock or have been deleted by big retailers such as Myer and David Jones.



- MR PRICE (MRP) – Recently opened two 1,000 sqm stores in Melbourne. MRP is expected to reduce market share of brands such as Big W, Target, Dotti, Jay Jays and Just Jeans.



- STEINHOFF – PEPKOR – The acquisition of Pepkor Holdings by Steinhoff made the combined group one of the world’s largest discount retailers, bringing additional brands such as Harris Scarfe into the group. The presence of this company in the Australian market will increase competition for Myer, Harvey Norman, JB Hi-Fi Home and Fantastic Holdings.

CHANGING MIX AHEAD

- Expect more and larger medical centres and services located within shopping centres
- Membership to gyms in Europe is up +44% - expect an increase in centres in Australia
- Entertainment and leisure uses:
 - Legoland
 - Children's playground
 - Community uses
- Hotels as part of Shopping Centres
- Childcare in Shopping Centres
- More Technology focused tenants
- Re-emersion of book stores
- Less banks on High Streets (UK 700 closed in 12 months)



Future Predictions of Online Spending

- Most retailers estimate that their online stores is in the top 3 in their network
- Three quarters of UK consumers will buy at least half their Christmas presents online
- Spend on smartphones is forecast to rise by 243.5% in the next 4 years, with direct spend on both phones and tablets set to climb by over 230%
- Research shows by 2019, annual shopping via mobile will be worth as much as the amount spent in more than 30,000 UK shops.
- Almost 80% of UK shoppers made a purchase online in the year to September 2015. This makes the UK higher than any other European Union country
- Increase interrelation between online spending and bricks and mortar – E.g. Click & Collect, Concierge Return Assistance, etc.

STATE GOVERNMENT - MAJOR DEVELOPMENTS



STATE GOVERNMENT - MAJOR DEVELOPMENTS



1 ELIZABETH QUAY

Size: 10 ha
 Total Investment: \$2.62 billion
 Uses: 800 new dwellings
 400 new hotel rooms
 200,000m² commercial/office space
 25,000m² retail
 Status: Staged completion through 2020



2 PERTH CITY LINK

Size: 13.5 ha
 Total Investment: \$5.3 billion
 Uses: 1,650 new dwellings, 244,000m² of commercial/retail space and 4.4 ha of public space
 Status: Staged completion through 2020



3 RIVERSIDE

Size: 40 ha
 Total Investment: \$2.11 billion
 Uses: 4,000 new dwellings and 90,000m² of commercial/retail space
 Status: Staged completion through 2020



4 PERTH STADIUM

Size: 73 ha
 Total Investment: \$820.7 million
 Uses: 60,000 seat sports stadium, public open spaces, cultural attractions and residential developments
 Status: Completion estimated in March 2018



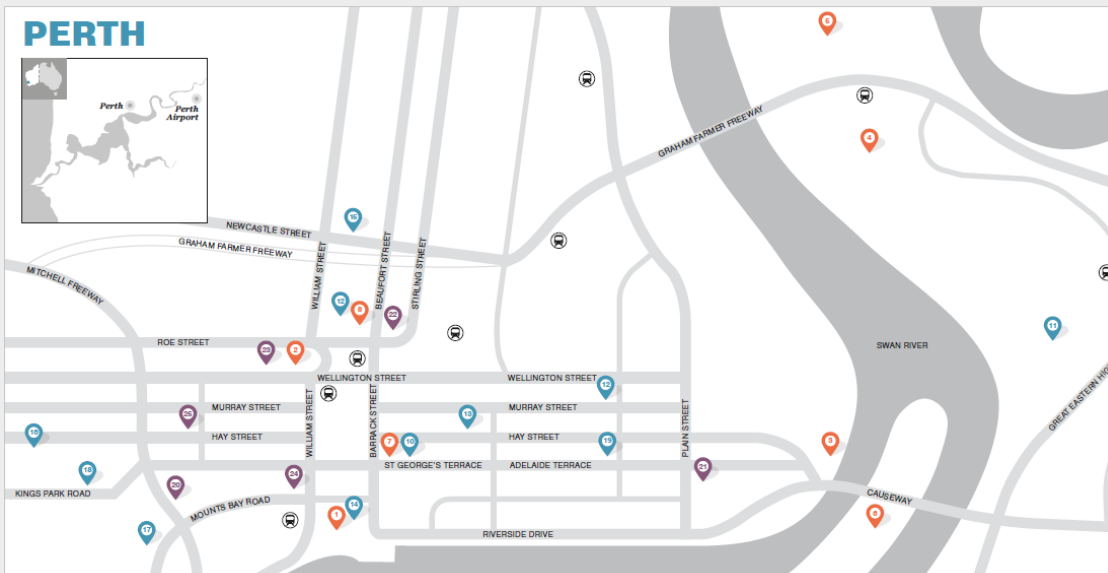
5 PERTH RIVERFRONT

Size: 100 ha
 Total Investment: \$200 million
 Uses: 32,000m² retail, 12,500 dwellings and 60,000m² commercial space
 Status: Completion estimated in 2025



6 HEIRISSON ISLAND

Size: 19 ha
 Total Investment: \$11.5 million
 Uses: Public space and cultural attractions
 Status: Currently in the planning/proposal stage



7 CATHEDRAL AND TREASURY PRECINCT

Size: 20 ha
 Total Investment: Not available
 Uses: Luxury hotel, retail/cultural attractions, commercial/office, public library and public space
 Status: Staged completion through February 2017



8 WA MUSEUM

Size: 22-23,000m²
 Total Investment: \$428 million
 Uses: Cultural attraction/retail
 Status: Completion estimated in 2020

STATE GOVERNMENT - MAJOR DEVELOPMENTS



1 KINGS SQUARE REDEVELOPMENT

Size: 13,665m²
 Total Investment: \$220 million
 Uses: Commercial/public meeting spaces
 Status: Currently in the planning stage



2 81 QUEEN VICTORIA STREET

Size: 2,742m² and 66m²
 Total Investment: \$11 million
 Uses: 54 residential and commercial
 Status: Development approved



3 FORT KNOX APARTMENTS

36 Queen Victoria Street
 Size: Not available
 Total Investment: \$60 million
 Uses: 5 storey mixed use and 241 apartments
 Status: Development approved



4 11 QUEEN VICTORIA STREET

Size: 1,211m²
 Total Investment: \$12 million
 Uses: 6 storey mixed use, 46 residential and 95m² office space
 Status: Construction has commenced



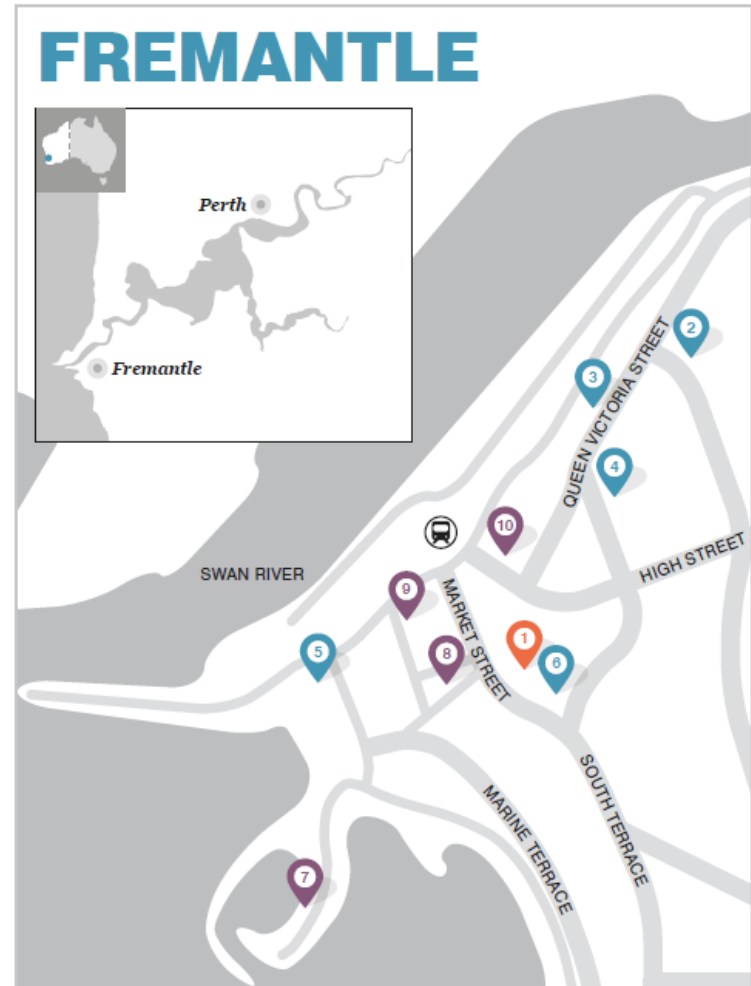
5 11 CLIFF STREET

Size: 2,956m²
 Total Investment: \$8 million
 Uses: 4 storey office building
 Status: Development approved



6 SPICER

14 Henderson Street
 Size: 7,200m²
 Total Investment: \$21.5 million
 Uses: 5 storey mixed use office and retail
 Status: Development approved

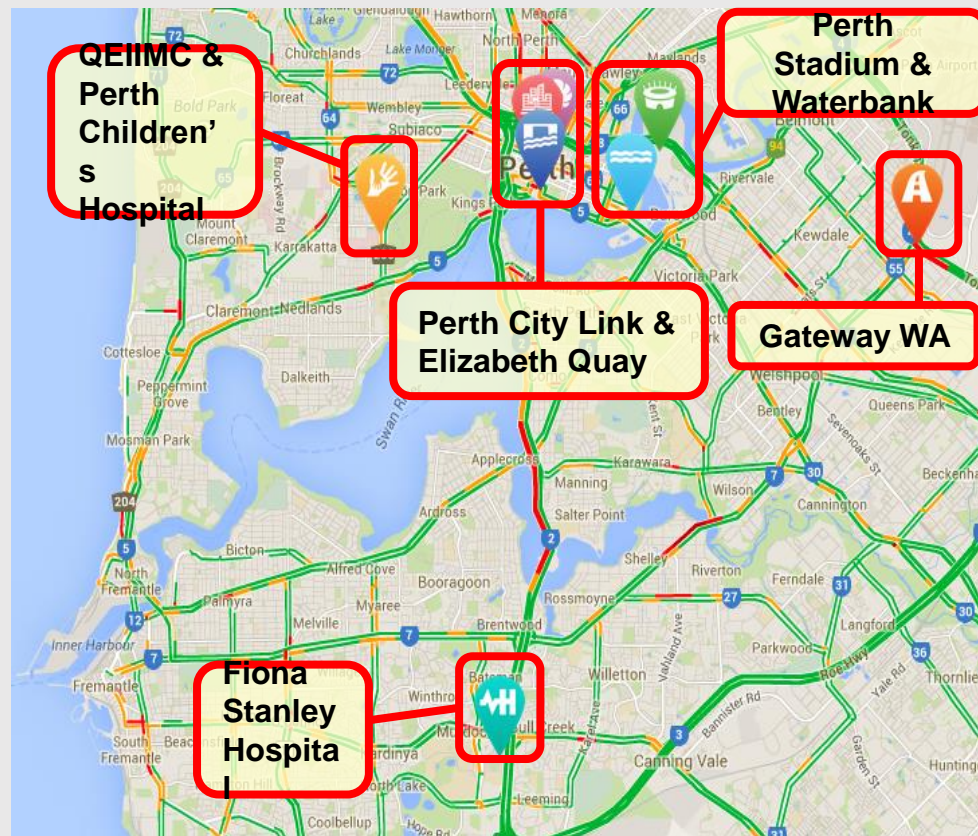


Source: Tourism WA, March 2015



BIG PICTURE PROJECTS

- WA Government leading major developments throughout Perth as part of 'The Bigger Picture' project
- Developments designed to meet Perth's growing needs & projected population increase
- Future-proofing WA
- Creating new jobs in the process



Source: Government of WA, September 2014

STATE GOVERNMENT - MAJOR DEVELOPMENTS LEASE EQUITY



PERTH CHILDREN'S HOSPITAL

- \$1.2 billion 298 bed children's hospital at QEII Medical Centre site
- Set to replace Princess Margaret Children's Hospital
- Current hospital site to be redeveloped into a commercial and residential precinct
- Redevelopment of 12.5ha gross floor area
- Scheduled to open in April 2016



FIONA STANLEY HOSPITAL

- \$2 billion hospital with 783 beds
- Located 15km south of Perth CBD
- WA's first comprehensive cancer centre south of the river
- Recently opened in October 2014

STATE GOVERNMENT - MAJOR DEVELOPMENTS



QEII MEDICAL CENTRE

- QEII Medical Centre to become largest medical, research & education facility in WA
- 5 year \$2 billion project set to complete by April 2016
- Development includes:
 - Perth Children's Hospital
 - Retail Precinct and new entry
 - QEII Mental Health Unit
 - QEII Cancer Centre
 - Harry Perkins Institute
 - 5,000 bay Multi-deck car park
 - Western Power Substation



STATE GOVERNMENT - MAJOR DEVELOPMENTS

BURSWOOD PRECINCT



STATE GOVERNMENT - MAJOR DEVELOPMENTS

NEW PERTH STADIUM

- \$1.24 billion stadium
- Centrepiece of the Burswood Precinct
- Set to become a major sporting and entertainment venue
- 60,000 – 70,000 seating
- Scheduled to open in time for the 2018 AFL season



BELMONT RACECOURSE

- \$3.5 billion Redevelopment of 75Ha. Belmont Racecourse site
- Redevelopment to provide:
 - 4,500 residential dwellings
 - 80,000m² office space
 - 40,000m² of retail



CROWN TOWERS PERTH

- \$645 million 6 star hotel under construction – 500 rooms with resort pool, restaurants, bars, grand ballroom, convention centre and private gaming salons
- Due for completion in late 2016
- Perth CBD's major competitor in F&B and entertainment





THANK YOU

