

# FINANCIAL REVIEW

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HD **JLL record profits continue**  
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Jones Lang LaSalle's Australian boss Stephen Conry says he is "very optimistic" about **commercial property** markets in 2014 after posting record 2013 full-year profits for the fourth year in a row.

Australian investment sales revenue lifted 72 per cent over the year to December driving a 12 per cent rise in overall revenues and a 25 per cent lift in full-year profits.

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This was off the back of Australian **commercial property transaction** volumes reaching a record \$22.9 billion in 2013.

Deals negotiated by JLL in 2013 include the **sale** of half shares in six Federation Centre malls to Challenger for \$602 million and the **sale** of 567 Collins Street in Melbourne to Investa for \$462 million.

Revenues rose strongly across research and consulting, industrial sales, valuations, facilities management and more than doubled across the health and aged care and student accommodation division.

"It's our fourth year of record results, which were even better than we expected and very encouraging for us and the wider market," Mr Conry said.

"We expect investment sales activity to be very strong in 2014 and for the office leasing market to improve from its low base.

"We are in a situation where multiple buyer groups are engaged: offshore investors, A-REITs, wholesale funds and superannuation funds." Low confidence dragging leases

Mr Conry tipped the student accommodation sector as a growth-spot with JLL estimating there is currently over \$1 billion of potential investment looking to enter the Australian market.

The weak spot in 2013, both in Australian and in the region, was office leasing.

Regional revenue fell 6 per cent over the year to \$US178.9 million (\$203 million) with corporate clients "hesitant to make new commitments".

Mr Conry said rising business confidence would translate into better demand for office space this year.

"2014 will see an improvement over 2013 for office leasing markets but there will be below trend net absorption."

The Australian division reported its results alongside the Chicago-based **group** reporting its global results. Fee revenue rose 12 per cent to \$US4 billion for the year to December 31, with earnings per

share rising 15 per cent to \$US6.32. Full-year Asia Pacific revenue rose 14 per cent to \$US848 million led by **China**, with broad-based revenue growth recorded across the region.

Operating income increased 18 per cent to \$US77 million with fee margins rising from 8.4 per cent to 9.1 per cent.

Mr Conry said prospects for the global economy were stronger in 2014.

"Corporate America is hiring and this has translated into positive net absorption and lower vacancy rates across a number of gateway cities in the US," he said.

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