

# The Sydney Morning Herald

SE **Commercial** realestate  
HD **AMP builds up for investment year**  
BY Carolyn Cummins  
WC 481 words  
PD 26 November 2014  
SN The Sydney Morning Herald  
SC SMHH  
ED First  
PG 24  
LA English  
CY © 2014 Copyright John Fairfax Holdings Limited.  
LP

**Property** funds - Purchasing plans

AMP Capital has raised close to \$2 billion across Australia and New Zealand through its unlisted **property** funds, and will use the money to expand the portfolios in the coming year through investments across all **commercial** sectors.

TD

The deals have been in high-grade shopping centres, such as the redeveloped Macquarie Centre in Sydney, and the \$433 million acquisition of the National Australia Bank's futuristic headquarters in Melbourne's Docklands.

Using its AMP Capital diversified, wholesale office and shopping centres funds, the **group** plans to be a competitive player across most capital cities but with less focus on the mining states cities, Perth and Brisbane.

While not specific, the **group** could consider such interests as Scentre retail assets.

AMP Capital's head of **property** funds management, Chris Judd, said despite any flatness in office leasing and the vagaries of consumer spending, the past year was very busy, and set the funds up for action in the coming year. "The business is delivering on a \$5 billion shopping centre, office and industrial **property** development pipeline, with strong support from domestic investors and global pension fund clients," Mr Judd said.

He added that investors were heading into the unlisted **property** sector with great confidence to take advantage of the higher yields and less volatility of the sharemarket.

The recent PCA/IPD Australia All **Property** Index, which focuses on the unlisted **property** funds market, reported that the total return on **commercial property** averaged 9.9 per cent in the year to September.

IPD Australia and New Zealand executive director Anthony De Francesco said **commercial property** was in an early upswing phase.

"The strengthening capital return profile across all **property** sectors is underpinned by buoyant capital markets conditions," he said. "The compulsory super fund cash flow has seen our funds' capital raising all close oversubscribed. We are also receiving funds from mum and dad retail investors in our wholesale Australian **Property** Fund and **Chinese** investors using the significant [investor] visa investment," Mr Judd said.

"Launches such as Macquarie Centre in October and Ocean Keys in Perth this month continue the successful delivery of AMP Capital Shopping Centres' \$2.8 billion development pipeline."

Mr Judd said the office leasing sector was steady but capitalisation rates remained at some distance from the "heady days" of 2008.

"The funds have strong balance sheets and are, subsequently, well placed to deliver on AMP Capital's \$5 billion **property** development pipeline which includes Quay Quarter Sydney, 200 George Street, and the newly developed Ocean Keys and Macquarie Centre," Mr Judd said.

"In New Zealand, a restructure of the AMP Capital **Property** Portfolio (APP) saw Canadian sovereign wealth fund Public Sector Pension Investment **Board** (PSP Investments) secured in a NZ\$1 billion (\$A900 million) **transaction**.

AMP Capital retains management of the assets."

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania  
**PUB** Fairfax Media Management Pty Limited  
**AN** Document SMHH000020141125eabq00043