

FINANCIAL REVIEW

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HD **Liquidity holds back investors**
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Australia's **commercial** real **estate** turnover this year will not match the heights of 2013 because of a shortage of stock to **buy**, said **property** services **group** DTZ.

About \$23 billion worth of Australian **commercial** real **estate** changed hands in 2013.

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"Investor appetite for Australian **property** is still strong, but there's just not enough premium grade stock available for **purchase**," said Dominic Brown, head of Australian research at DTZ.

The latest DTZ Money into **Property** report found Britain to be the most liquid market globally at 9.2 per cent, followed by Singapore at 7.6 per cent.

Liquidity is defined as the percentage of total **property** held by investors that is traded in a market.

Australia's liquidity was measured at 4.2 per cent with **China** the lowest at just 0.6 per cent.

"Liquidity is important for investors," Dr Brown said.

"You want good liquidity on both the buying and selling side. Some markets like Australia are hard to **buy** into but easy to sell out of. In **Hong Kong**, you have the opposite problem." London ranked as the most liquid investment market in the world – on both the **buy** and sell side – and also as the leading global city for **commercial property** investment, according to DTZ.

Dr Brown said a lack of liquidity was encouraging investors to look at assets further up the risk curve including quality office properties in fringe locations such as St Kilda Road and North Sydney, as well as smaller shopping centres and development sites.

Globally, better market sentiment and rising capital values pushed up the value of investable **commercial** real **estate** by 4 per cent to \$13.7 trillion, with Asia-Pacific surpassing Europe as the largest regional market, DTZ found.

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