

SE Finance
 HD **Transaction** values to 'surge'
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 LP

PROPERTY: The value of **transactions** in the Australian **commercial property** sector is expected to run hot this year after a bumper 2013, with sales in the year to December reaching a record \$US21.9 billion (\$24.9bn), according to real **estate firm** Jones Lang LaSalle.

These levels were up 33 per cent from 2012, with local and foreign investors battling one another for assets, buoyed by low interest rates and a falling Australian dollar.

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The December quarter was especially strong, with **transaction** volumes reaching \$US6.4bn, up 69 per cent on the final quarter of 2012.

Analysts say that the development activity was a major contributor to investment volume growth, while foreign-listed real **estate** investment trusts became more active in the latter part of the year.

Commercial property investment was also at record levels in the Asia-Pacific region, reaching \$US126.7bn by year end, an increase of 29 per cent.

The growth was driven by the region's core markets of Australia, Japan, **China** and Singapore, with all countries well up on last year's levels.

Jones Lang LaSalle head of capital markets Stuart Crow said the results were higher than expected and activity should increase further this year.

"Unrelenting demand has prevailed in spite of macro concerns around **China's** growth outlook, stability in the EU and the US government's fiscal strategy," Mr Crow said.

Savills head of research Tony Crabb said that high competition for **commercial property** assets would underpin growth this year.

He said the **property** sector would benefit from a rebalancing economy, and broader-based growth would replace resource-dominated growth.

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