



2016

YEAR IN REVIEW

55 CLARENCE STREET, SYDNEY

Currently being marketed by Colliers International
on behalf of Eureka Funds Management

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INTRODUCTION

Colliers International is pleased to present our valued clients with the 2016 Capital Markets Office Year in Review.

The Australian commercial market has experienced another strong year of office investment with transaction volumes totalling approximately \$8 billion over the calendar year. Once again we have witnessed an influx of foreign capital to our shores, which is a testament to Australia's economic strength, political stability and world class commercial asset quality.

Leading market indicators are pointing to another bountiful year ahead for prospective investors, with yield spreads suggesting there remains scope for further cap rate compression, and strong employment conditions supporting revenue streams in key markets. Combined, these factors should encourage ongoing investment from both domestic and foreign capital sources.

2016 was a record-breaking year for our Capital Markets business, as the team successfully leveraged into the high level of Australian market activity. In 2017, we will endeavour to not only focus on transactions, but continue to create unique relationship that will produce lasting value for our clients.

We trust you find the 2016 Year in Review an insightful read and thank you for your continued support.



John Marasco
Managing Director
Capital Markets & Investment Services
Colliers International

2016 YEAR IN REVIEW

Australian Safe Harbour

It's safe to say that 2016 has dealt its fair share of economic shocks to the global economy, with the standouts being Britain's referendum to leave the European Union (Brexit) and a pending Trump presidency. And while we don't want to weigh into any political debate, these economic shocks further cement Australia's position as an appealing global destination for foreign capital deployment. Australia has, and will continue to resonate with foreign investors due to our consistent economic growth through cycles, transparent financial system together with sound political and legal frameworks.

Monetary policy and interest rates

2016 was characterised by record low interest rates both globally and domestically. The issuance of negative yielding government bonds in Asia and Europe spurred the global hunt for yield throughout the year, with Australian commercial property assets becoming even more appealing in terms of risk adjusted returns. Cuts to Australia's official cash rate in May and August saw our domestic benchmark fall to a record low of 1.5 per cent, ensuring that commercial property also retained its appeal with domestic investors. Importantly, the implementation of regulatory measures has allowed the RBA to focus its monetary policy strategy on economic objectives while also addressing fears of an overheating residential housing market. Looking forward, the central bank now has room to move lower if required, although officials appear content with current monetary policy settings according to recent commentary.



28 FRESHWATER PLACE, MELBOURNE

Sold by Colliers International to JP Morgan on behalf of GPT Wholesale Office Fund & Frasers Property Australia for \$286,000,000



Leasing markets

Leasing markets in both Sydney and Melbourne have performed exceptionally well, supported by white collar employment growth, falling vacancy, rising net effective rents and restricted supply pipelines. In the twelve months through to September 2016, Sydney's premium net effective rents have increased a staggering 28.4 per cent, far exceeding the ten year historical annual average growth rate of 4.7 per cent. Meanwhile A and B grade net effective rents increased 27.8 and 33.7 per cent respectively over the same period. Growth rates in the secondary market were strongly influenced by stock withdrawals due to infrastructure projects and conversions.

CBD Infrastructure

Infrastructure investment has played a large role over the year, which bodes well for all commercial property asset classes. Over the next four years, New South Wales and Victoria will see a record \$110 billion of combined infrastructure investment which will play a leading role in propelling Australia's commercial property market forward. With a variety of metro and light rail projects underway in both Sydney and Melbourne, these CBD office markets have become even more appealing to businesses and their employees which in turn creates tailwinds for investment markets.

Infrastructure investment has played a large role over the year, which bodes well for all commercial property asset classes.

CAPITAL FLOWS IN 2016

OFFICE ASSETS **\$50M+**



USA INBOUND CAPITAL

\$1.5BILLION
19%TOTALSALES

Regional core funds managed by US managers
actively buying in Sydney and Melbourne.

\$5BILLION
IN SALES VOLUME
PURCHASED BY OFFSHORE GROUPS

Note: Data and statistics detailed reflect some transactions which at the date of publication are in due diligence, however are close to being finalised.



SINGAPORE INBOUND CAPITAL

\$1.39BILLION
16%TOTALSALES

Most active in Melbourne and Brisbane.



CHINA INBOUND CAPITAL

\$1.15BILLION
16%TOTALSALES

Predominantly purchased B-Grade office assets with significant repositioning or development opportunities. Particularly active in Sydney and Perth.



DOMESTIC CAPITAL

BUY SIDE
\$2.65
BILLION
36%
TOTALSALES

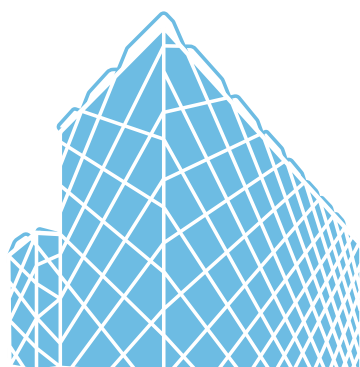
SELL SIDE
\$6
BILLION
73%
TOTALSALES

Domestic investors most active on the buy and sell side.

CAPITAL FLOWS IN 2016

OFFICE ASSETS \$50M +

LARGEST CBD DEAL



1 SHELLEY STREET, SYDNEY

\$525M

JOINT VENTURE
DOMESTIC AND USA CAPITAL



CAPITAL PARTNERING



Capital partnering continues to be a theme for core office investment, with two major deals nationally acquired in 50:50 deal structures – 1 Shelley Street, Sydney & Southgate Complex, Melbourne.

QUICK RECYCLING



Examples of assets being purchased and sold within 12 to 18 months include:

- 210-220 George Street, Sydney was acquired in 2015 for a combined total of approx \$100 million and sold in 2016 for a total of approx \$160 million.
- 114 William Street, Melbourne was acquired for \$125 million in 2015 and sold in 2016 for \$161.5 million.

OFFSHORE INVESTORS NO LONGER JUST BUYERS



OFFSHORE
INVESTORS
SOLD

\$2.2B

ACROSS 15 ASSETS

OFFICE CAMPAIGNS



CBD office offerings, particularly in Sydney and Melbourne, received high volumes of bids, in some cases over ten per campaign.

CAPITAL PROFILE



825 BOURKE STREET, MELBOURNE
Sold by Colliers International to a private investor on behalf of Lendlease APPF for approx. \$73,000,000.



SYDNEY

The Sydney market across 2016 has been characterised by a surge in capital values against the backdrop of an unprecedented leasing market. While transaction volumes have trended lower from 2015, competition has only intensified.

Largest deal

The two major transactions in the Sydney market across 2016 highlighted the resurgence of domestic capital. Fortius Funds Management's sale of their 75 per cent interest in 420 George St to Investa Property Group for \$442.5 million was an indication of domestic wholesale investors' endorsement of current market metrics. Charter Hall Core Plus Office Fund's \$525 million purchase of 1 Shelley Street in conjunction with Morgan Stanley Real Estate Investing marked the largest transaction of 2016, and was another demonstration of the strength of the domestic capital market.

Investors capitalise on strong market conditions

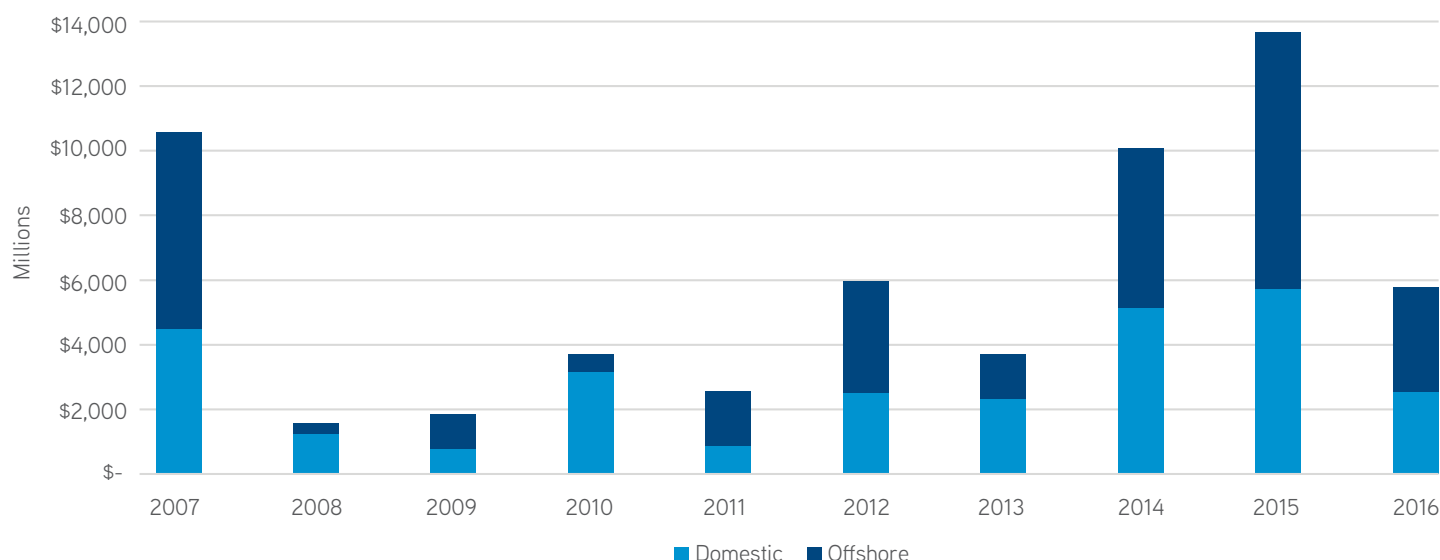
The weight of Sydney's market conditions has seen numerous owners recycling assets after short holding periods. In July, Anton Capital successfully divested 210 & 220 George Street

for \$160 million to Poly Group, after having acquired it in 2015 for \$99.2 million. Similarly, EG Funds Management's \$52.2 million sale of 92 Pitt St to City Freeholds came after acquiring in 2015 for \$30.6 million. Both sales were driven by the key Sydney themes of competition for longer term development sites, and shortage of existing B grade accommodation.

Leasing outlook to drive further yield compression

While 2016 has seen continuing cap rate compression across Sydney transactions, the health of Sydney's leasing market continues to provide buyers with confidence in the forward income outlook. With A Grade Year-to-date Net Effective Rental Growth of 27.8 per cent to Sep-16, the market has confidence that while entry pricing is high, the leasing market conditions will support their underwriting.

NSW transaction volumes



Source: Colliers Edge



92 PITT STREET, SYDNEY

Sold by Colliers International to City Freeholds on behalf of EG Funds Management for \$52,170,000

24.2%

RENTAL
GROWTH

DECEMBER 2016



3.3%

PRIME
VACANCY

JANUARY 2019



63.5%

TRANSACTION
VOLUMES

NOVEMBER 2016



63.5%

A GRADE
INCENTIVES

JANUARY 2019



Source: Colliers Edge

MELBOURNE

Sustained high transaction volumes

Melbourne witnessed sustained high transaction volumes in 2016 with a total of approx. \$3.05 billion* in office transactions (\$50 million plus) following on from 2014 and 2015 which saw \$2.9 billion and \$2.6 billion transacted respectively. A large portion of 2016 sales volume (approx. \$1.2 billion) was accounted for in the Southbank precinct as core investors turned their attention to large scale assets outside the traditional CBD grid. These deals included 75 Dorcas Street, Twenty8 Freshwater Place, Southgate Complex and 12 Riverside Quay.

Offshore groups continue to dominate Melbourne landscape

Following on from 2015 which saw the highest volumes of offshore capital in Melbourne's history with approx. \$2.1 billion, offshore groups continued to dominate the transaction landscape purchasing 10 out of 14 assets traded. Once again a total of approx. \$2.1 billion in offshore capital was deployed in 2016.

Largest deal

Suntec REIT and Peninsula Investment Partners through ARA Investment Management made the largest transaction of the year with its acquisition of the Southgate Complex in Southbank from Dexus Property for \$578 million. The origin of capital for this deal emanated from Singapore and Korea.

Australian investors most active on the sell side

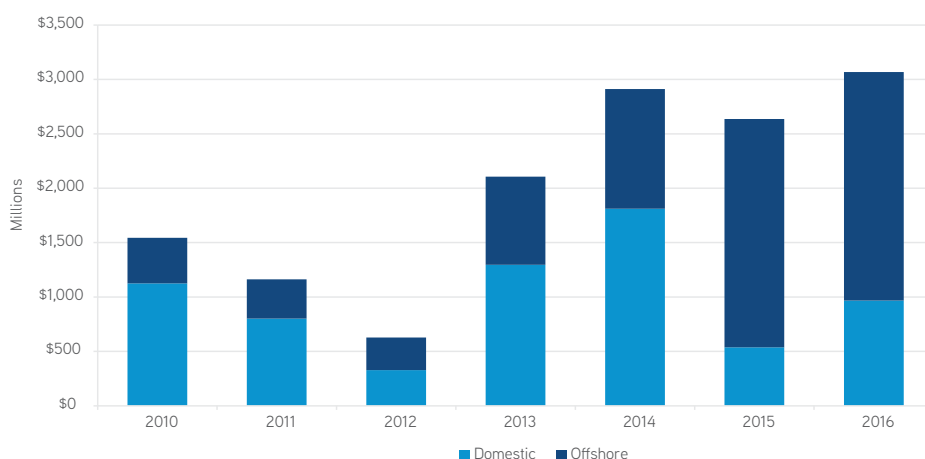
Australian based investors were most prolific on the sell side divesting 10 out of 14 assets representing 78 per cent of total sales volume. Lendlease was the most active group through their divestment of 825 Bourke Street and the soon to be developed One Melbourne Quarter and 839 Collins Street, all in the Docklands precinct.

Offshore groups trading out of assets

Following a strong period of acquisition from 2010 through 2015, offshore investors capitalised on the strong market conditions and divested out of their investments. These transactions included Invesco's divestment of 380 LaTrobe Street for \$176.5 million and Straits Real Estate trading out of 114 William Street for \$161.5 million.

Melbourne witnessed sustained high transaction volumes as offshore groups eye Melbourne as a safe destination to deploy capital.

Melbourne transaction volumes – Office \$50million +

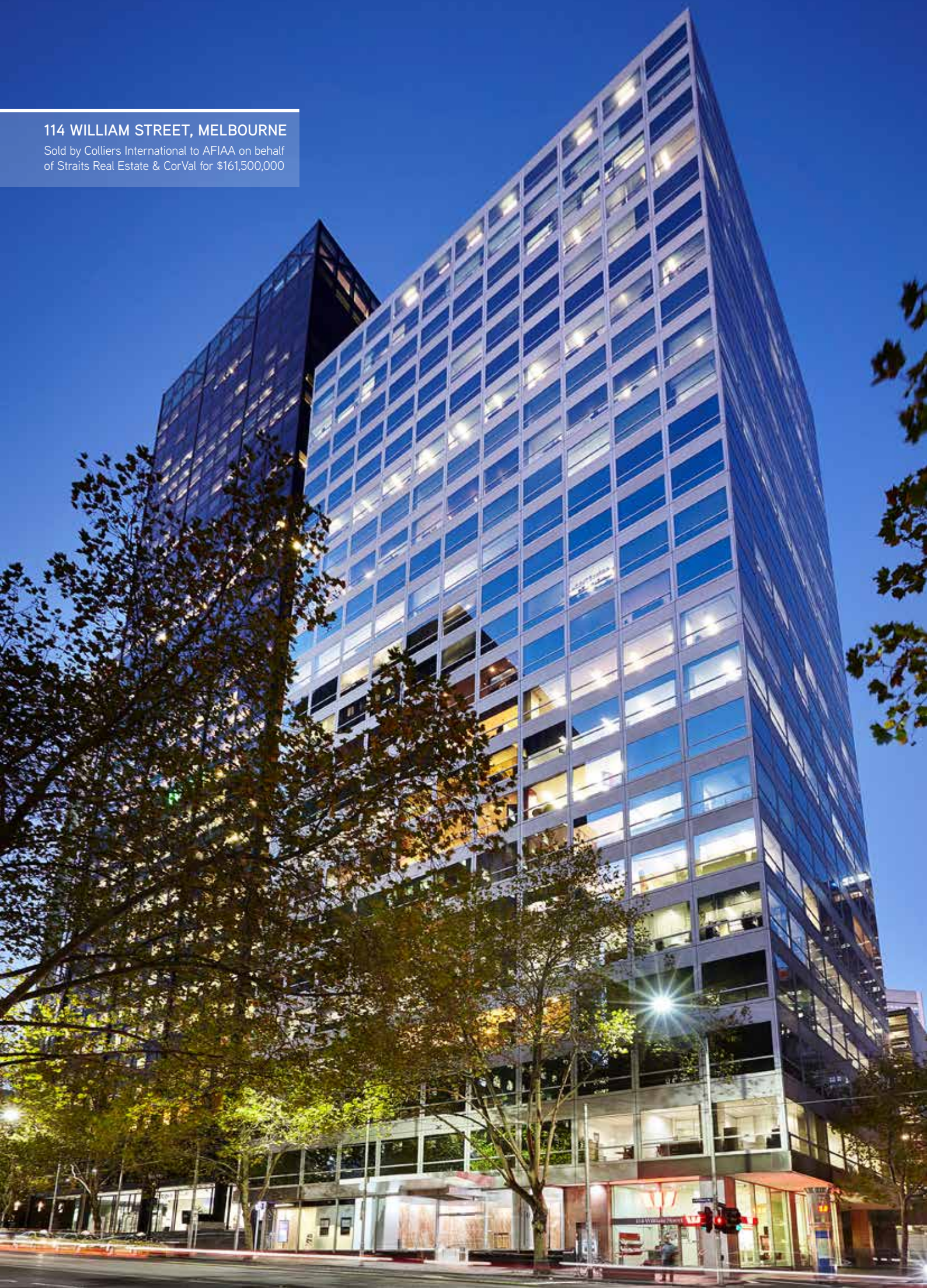


Source: Colliers Edge

*Total volume includes sales transactions which at the time publication were unconditional however not yet announced.

114 WILLIAM STREET, MELBOURNE

Sold by Colliers International to AFIAA on behalf of Straits Real Estate & CorVal for \$161,500,000



BRISBANE

Improving occupier market driving increased counter-cyclical transactions

Brisbane's occupier market has begun to show signs of recovery with above average net absorption for the Brisbane CBD in 2016 (Six month net absorption in the Brisbane CBD to July 2016 was very strong at 44,634m²*). 2016 has seen 186,684m²** of additional stock to the Brisbane CBD prime grade market as a result of the completions of 1 William

Street, 480 Queen Street and 180 Ann Street. Limited forecast supply, coupled with forecast withdrawals in 2017 - as a result of demolitions for the construction of the Queens Wharf Integrated Casino Precinct - will see vacancy stabilise and drop to the end of 2017 which will be the catalyst for driving effective rental growth.

Signs of recovery in the tenant market prompted counter-cyclical sale transaction activity in the secondary grade market with 333 Adelaide Street, 444 Queen Street

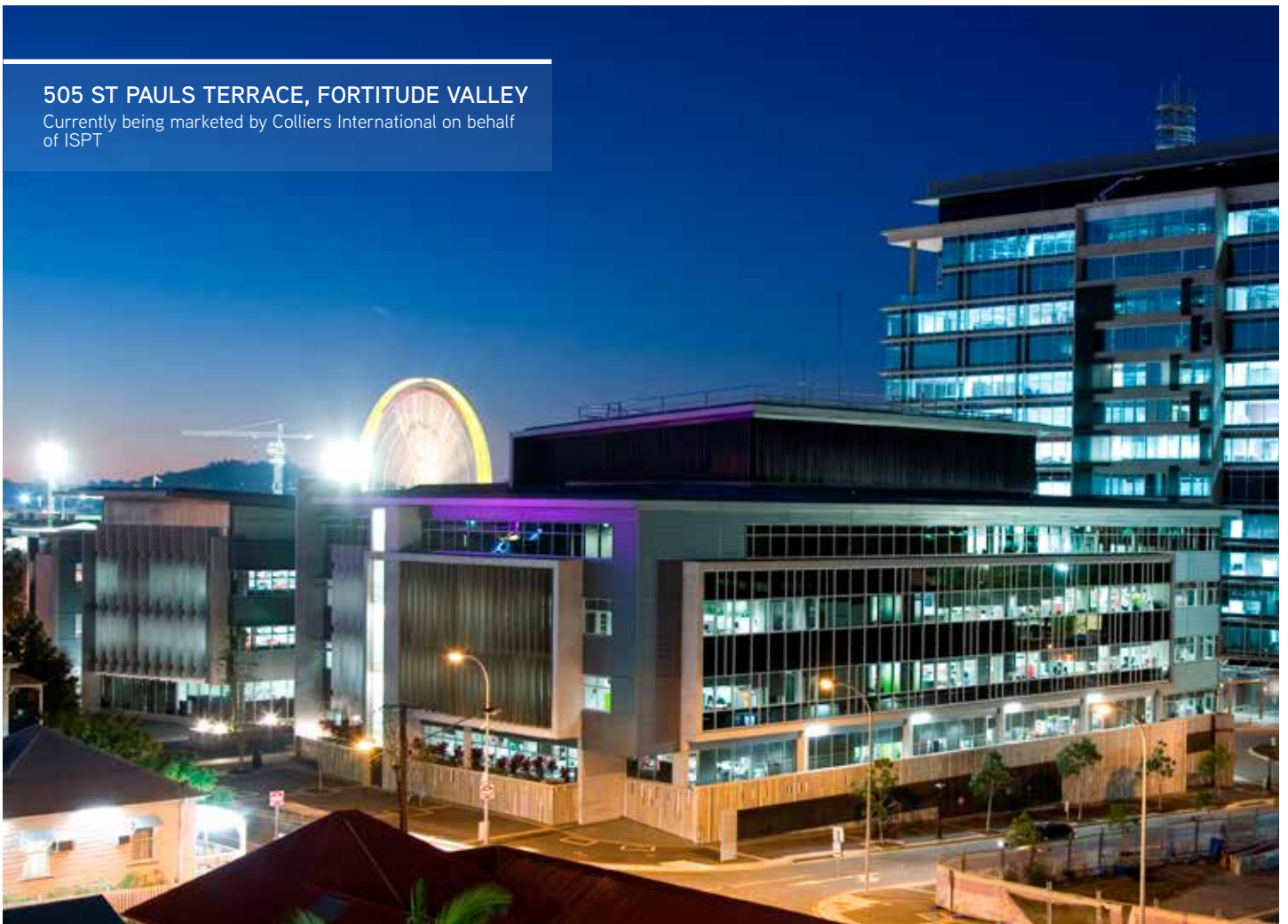
and 348 Edward Street all trading, and 316 Adelaide Street currently on-market.

Offshore capital dominating buy-side demand

Offshore capital, increasingly being represented by domestic asset managers, has dominated buy-side of Brisbane sales landscape in 2016. Offshore capital was behind three of the four Brisbane CBD office transactions over \$100 million in 2016, and also behind 307 Queen Street currently in due diligence. The greatest depth of capital is currently emanating from USA, Germany, Singapore and South Africa.

505 ST PAULS TERRACE, FORTITUDE VALLEY

Currently being marketed by Colliers International on behalf of ISPT



Excluding transactions involving pre-emptive rights - 111 Eagle Street (GPT Wholesale Office Fund) and 100 Skyring Terrace (Charter Hall Direct Office Fund) - offshore capital emanating from Singapore, represented 44.90 per cent of total overall volume of office sale transactions over \$50 million in 2016.

*Source - PCA (Jul 16)

**Source - Colliers Edge

Increased buy-side capital demand attracted to yield arbitrage

Over recent years Brisbane has become much more widely accepted as a core market for investment by both domestic and offshore institutional capital. Driven in part by the substantial yield arbitrage available between

Brisbane and the Australian gateway cities of Sydney and Melbourne. Limited investment supply and heightened competition in both Sydney and Melbourne, is also driving capital demand for Brisbane. A case study of three comparable A-grade sale transactions in 2016 shows a 100 basis point yield arbitrage available in Brisbane, well above historic levels.

Comparable A-Grade sale transactions in 2016



CANBERRA

Secure government tenant lease profile fuels demand

The shortage of stock in other Eastern Seaboard markets coupled with the security and stability of government tenants in the Canberra market has seen transaction volumes increase for the sixth year in a row.

A-REITs have been net sellers while syndicators, high net worth privates and off-shore buyers seek either stable core or manage to core investments. Local purchasers have been active making a number of counter cyclical 'value add' acquisitions.

Long term leased assets have been attractive in the current economic climate due to tenant security, growth profiles and comparatively strong returns. Four assets with government tenants sold in 2016, with another four exchanged or in due diligence. Yields have remained stable throughout 2016 and are expected to remain steady into 2017, as buyer side demand outstrips supply across the eastern seaboard.

Domestic investors most active

Domestic investors have been the most active in the Canberra market, with syndicates and high net worth private investors being the

main buyers. Offshore purchasers have been active, with interest in most major campaigns, although have been struggling to find assets of sufficient scale or WALE.

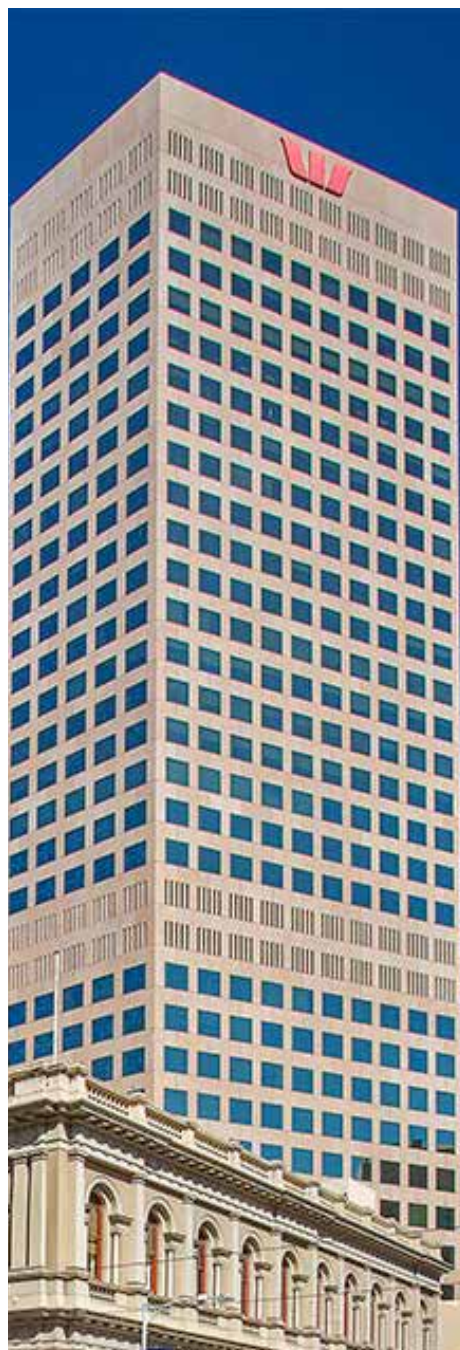
By the end of 2016 we anticipate a total of \$460 million to have transacted with a further four assets currently on the market. There are a number of assets already tabled for campaigns in Q1 2017. The Canberra market is expected to remain stable with strong levels of buy-side demand continuing.



MYUNA COMPLEX, NORTHBOURNE AVENUE

Sold by Colliers International to Amalgamated Property Group on Behalf of Walker Corporation for \$34,000,000

ADELAIDE



91 King William Street, Adelaide

Sold by Colliers International to ICAM on behalf of Abacus Funds Management for \$88,500,000 for a 50 per cent share

The Adelaide CBD office market has seen yields compress over the last 12 months, but not to the same levels as seen in most eastern markets.

This is a reflection of the weaker leasing market that has seen vacancy move higher over the year. Prime assets which have long lease terms and no vacancy are expected to see yields below 7 per cent, but if the asset has any vacancy or shorter lease terms, this has been reflected in the yield. All of the major sales this year have seen yields in the 7 to 8 per cent range.

The source of capital has been mostly from Australian sources with a mix of private investors, and institution investors purchasing in the Adelaide market over the last 12 months. The exception has been the most recent sale of 25 Grenfell Street which was bought by Credit Suisse (Switzerland).

State government initiatives fuel investment

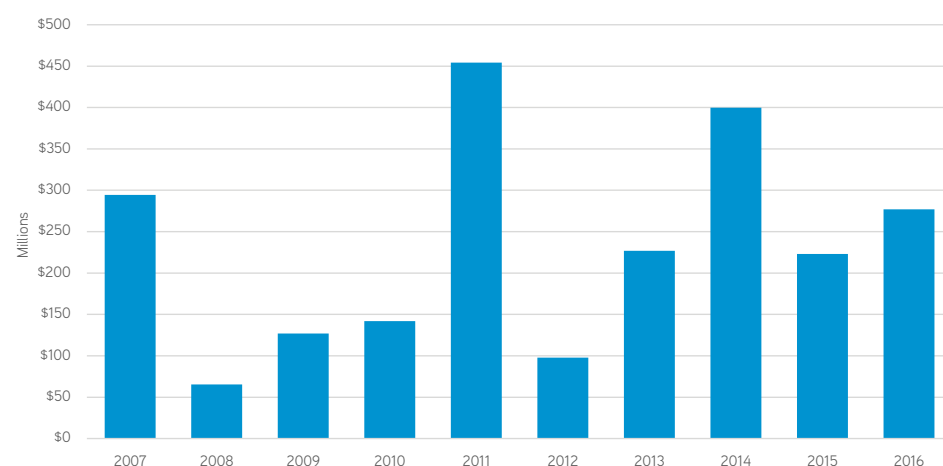
One of the key changes in the Adelaide market over the last 12 months was the State

government announcement that Stamp Duty on commercial real property assets will be abolished by 2018. There are three stages to this, with the first cut to the stamp duty rate effective in December 2015. The second cut is due July 1st 2017 which will reduce the rate by a further third with the full abolishment due in 2018. This will make Adelaide one of the most competitive places to do business nationally and it is expected that sales volumes will increase on the back of fewer transaction barriers.

Increased transaction activity in 2017

New commercial supply is limited over the next two to three years, which combined with improvements in white collar employment, is likely to tighten vacancy from 2017. The improvement in the market is likely to offer some scope for an element of yield compression in 2017. There are also several assets being marketed which are likely to transact early next year, implying sales volumes in the first half of 2017 will remain strong.

Adelaide transaction volumes – Office \$50million +



Source: Colliers Edge

PERTH

Chinese Investors eye Perth

Asian capital continues to see value in Perth's property market, with the major transactions for 2016 dominated by Asian buyers.

Since the beginning of 2016, Westralia Place at 167 St Georges Terrace, The Forrest Centre at 221 St Georges Terrace and 81 St Georges Terrace sold to investors originating from China & Singapore. These three assets transacted for a combined \$360.35 million. This was 57.8 per cent higher than the previous year's total of \$228.4 million from the sale of four assets.

Colliers International also understands that 141 St Georges Terrace, part of ICWA's divestment of three CBD assets, brought to market in 2015, is also currently in the crosshairs of Chinese interests. This is further affirmation that Perth is well and truly on the radar of Chinese investors who are on a global hunt for assets to diversify their portfolios and/or hedge against Chinese domestic issues.

Perth's shared time zone and proximity to Asian commercial hubs, along with its long-term growth prospects, have acted as a drawcard for 'patient capital' from Asia. This has also been evident in acquisitions of major CBD development sites by foreign Asian interests over the past year.

Prime assets with strong lease profiles drive demand

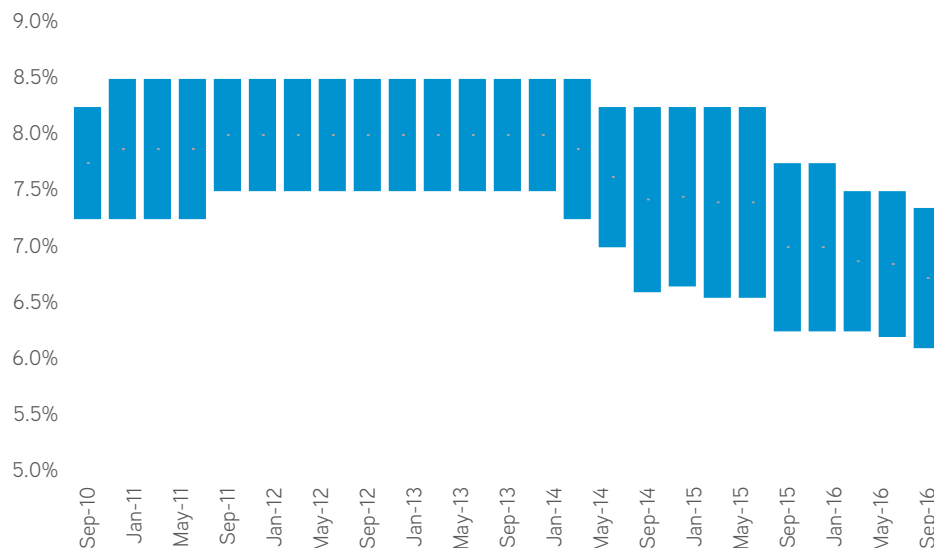
The CBD office vacancy rate remains elevated and rents have fallen significantly from the peak. Despite this there have been no signs of Prime CBD assets in distress, since the start of the current down-cycle some three and half years ago.

To date, Prime assets with strong lease profiles are keenly sought which has resulted in further yield compression over the past year, as deep-pocket private and foreign institutions compete with local institutions and major syndicates for secure assets to park capital and generate positive inflation adjusted cash flow.

This scenario is likely to persist in 2017. However, the recent elections result in the US and its impact on the inflation outlook, future interest rates and bond rates could change yield expectations.

In a first for Perth, two of the major asset sales this year were to mainland Chinese investors. This signals a new source of Asian capital to add to the Singaporean and Malaysian investor pool.

Perth CBD Prime Office Yields



Source: Colliers Edge



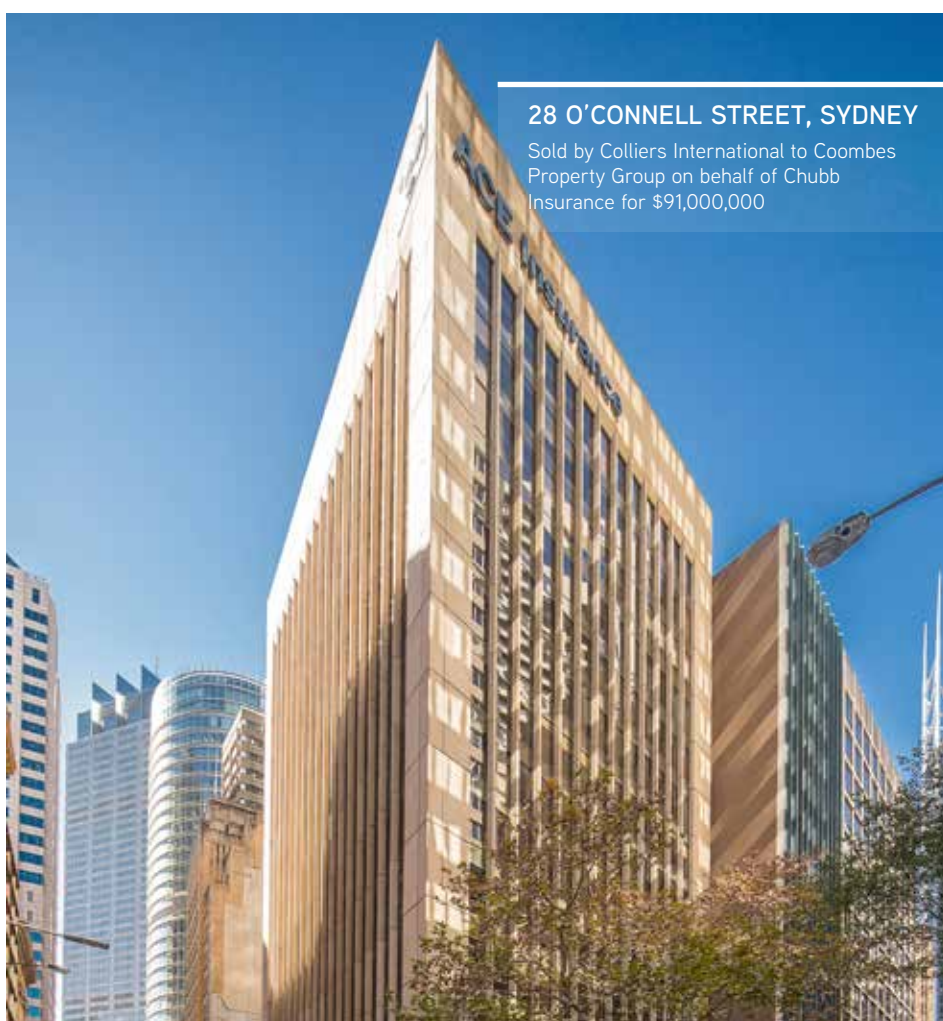
CASE STUDY NSW

The building's prime location and Sydney's surging B grade occupier market created an unmatched level of interest from local and offshore funds, developers and syndicators. Ultimately, the campaign yielded over 75 inspections and almost 30 EOI's, with the sale reflecting a rate per m² of \$14,896/m² and a reversionary cap rate of 4.80 per cent.

The strength of Sydney's leasing market played a material role in the sale, providing buyers with comfort around purchasing a near-vacant asset. Marketed by Colliers International, the sale was a great demonstration of the enormous depth of capital for core Sydney assets, with over \$2.1 billion in unsatisfied capital.

28 O'CONNELL STREET, SYDNEY

VENDOR	Chubb Insurance
PURCHASER	Coombes Property Group
SALE PRICE	\$91 million
PASSING INITIAL YIELD	0.88%
NLA	6,109m ²
SITE AREA	745m ²
NET PASSING INCOME	\$784,120 pa
WALE	1.46 years (by income)



CASE STUDY VIC

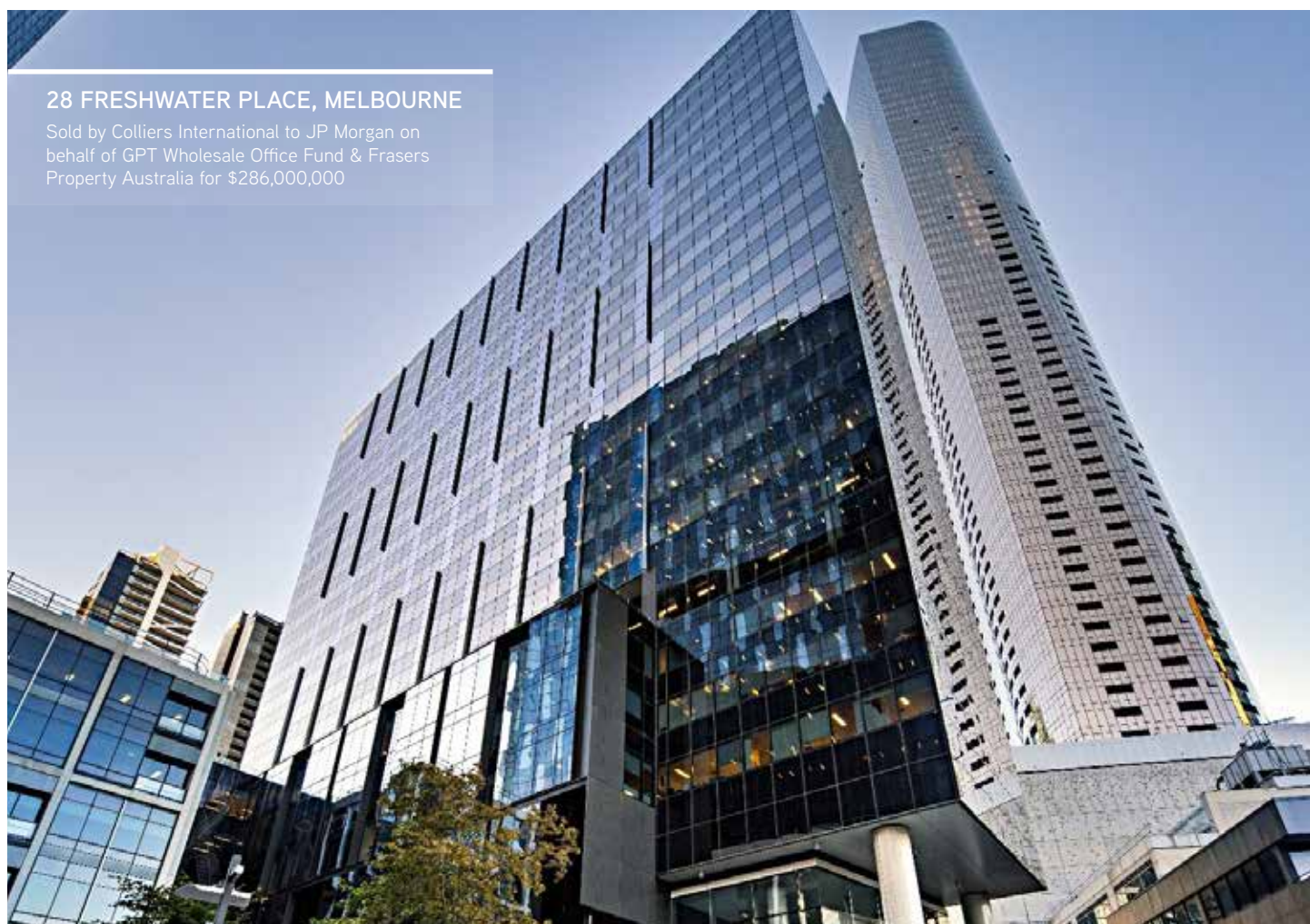
Colliers International was appointed sole marketing agent and following a highly competitive marketing campaign multiple bids were received from offshore capital sources, namely USA, Germany, Korea & Singapore. The acquisition of Twenty8 Freshwater Place was JP Morgan's first acquisition of an office investment in Australia.

28 FRESHWATER PLACE, MELBOURNE

VENDOR	GPT Wholesale Office Fund & Frasers Property Australia
PURCHASER	JP Morgan
SALE PRICE	\$286 million
PASSING INITIAL YIELD	6.61%
NLA	34,010m ²
SITE AREA	3,348m ²
NET PASSING INCOME	\$18,916,529 pa
WALE	3.51 years (by area)

28 FRESHWATER PLACE, MELBOURNE

Sold by Colliers International to JP Morgan on behalf of GPT Wholesale Office Fund & Frasers Property Australia for \$286,000,000

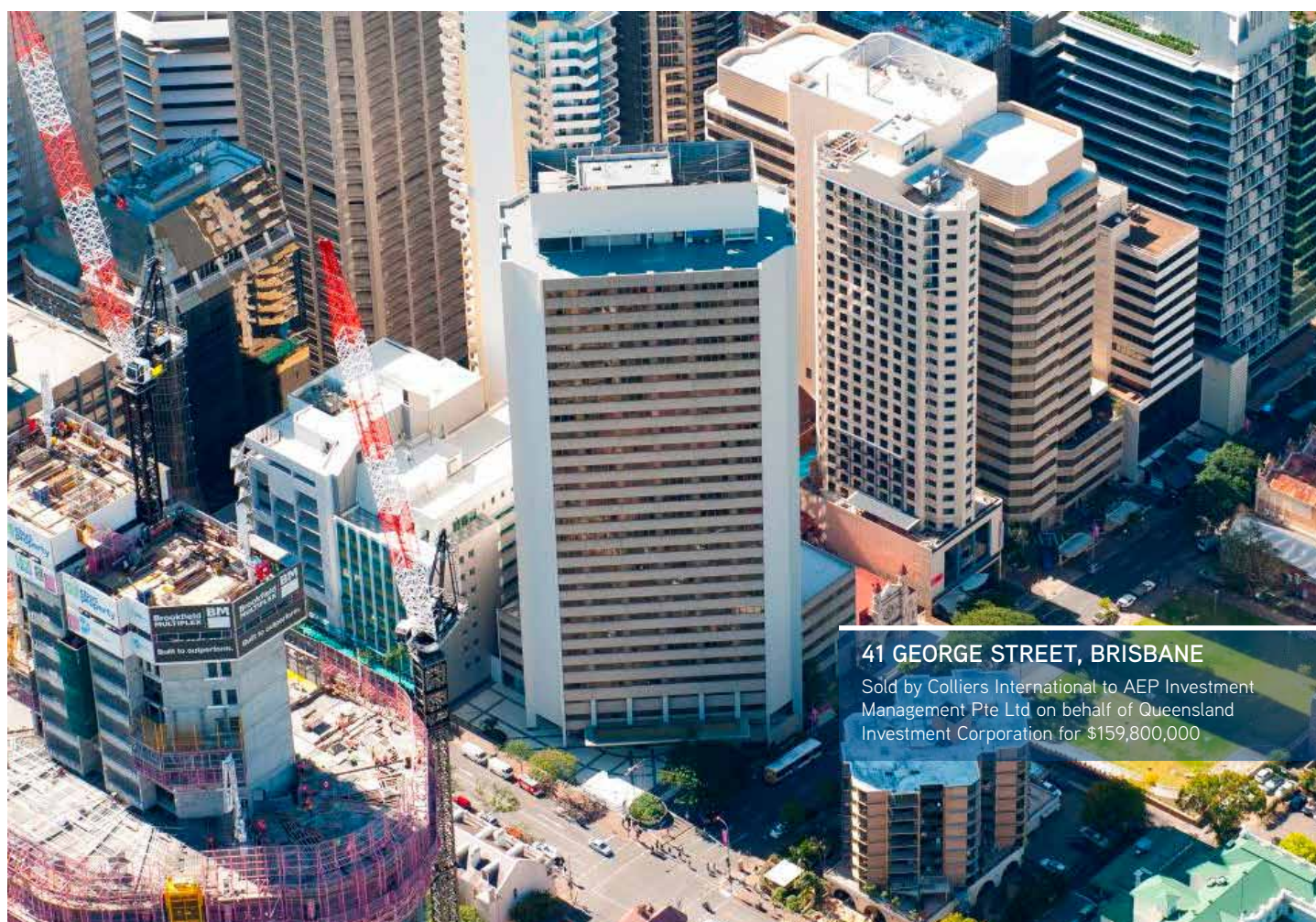


CASE STUDY QLD

Following an International Expressions of Interest campaign, the Colliers International Capital Markets Team brokered the investment sale of 41 George Street on behalf of Queensland Investment Corporation for \$159.8 million to Singapore's AEP Investment Management Pte Ltd. The acquisition of 41 George Street was AEP's first acquisition for the Basil Property Trust in Australia and further reinforces Colliers International's cross-border investment capabilities to introduce new sources of offshore capital to Australia.

41 GEORGE STREET, BRISBANE

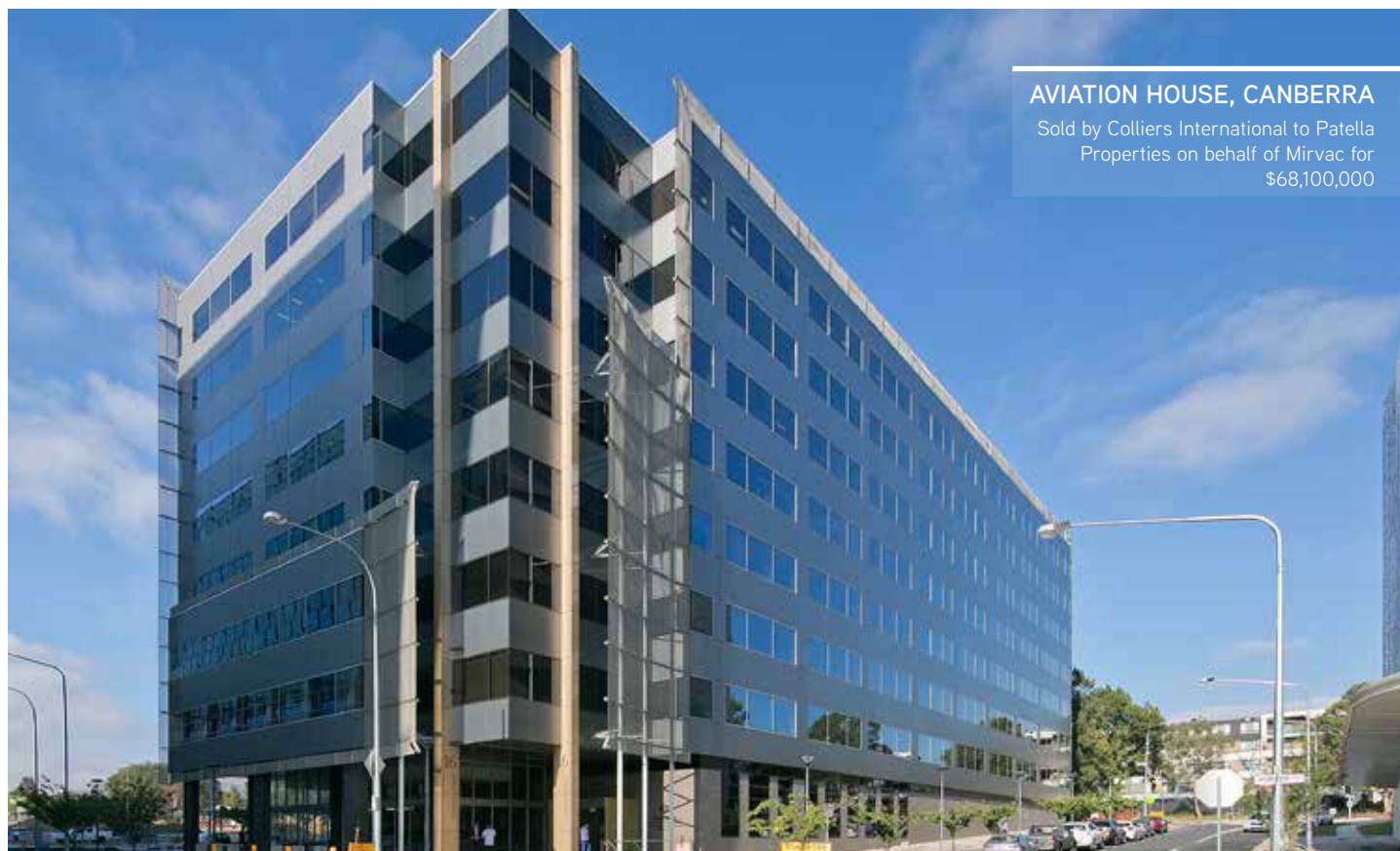
VENDOR	Queensland Investment Corporation
PURCHASER	AEP Investment Management Pte Ltd
SALE PRICE	\$159.8 million
PASSING INITIAL YIELD	8.72%
NLA	29,960m ²
SITE AREA	2,811m ²
NET PASSING INCOME	\$13,961,026 pa
WALE	5.35 years



41 GEORGE STREET, BRISBANE

Sold by Colliers International to AEP Investment Management Pte Ltd on behalf of Queensland Investment Corporation for \$159,800,000

CASE STUDY ACT



AVIATION HOUSE, CANBERRA

Sold by Colliers International to Patella Properties on behalf of Mirvac for \$68,100,000

Offered for sale with a WALE of 5 years and 4.5 star NABERS energy rating this asset was targeted at offshore and local institutions seeking metropolitan investments on the eastern seaboard. Woden is seen as a regional market in the context of Canberra but recent changes to the Department of Finance property procurement framework has seen interest increase for Government leased buildings in these locations.

The transaction metrics set new benchmarks for non-CBD office accommodation in Canberra and are reflective of global investor demand for office buildings with high quality lease covenant and limited Capex requirements.

AVIATION HOUSE, CANBERRA

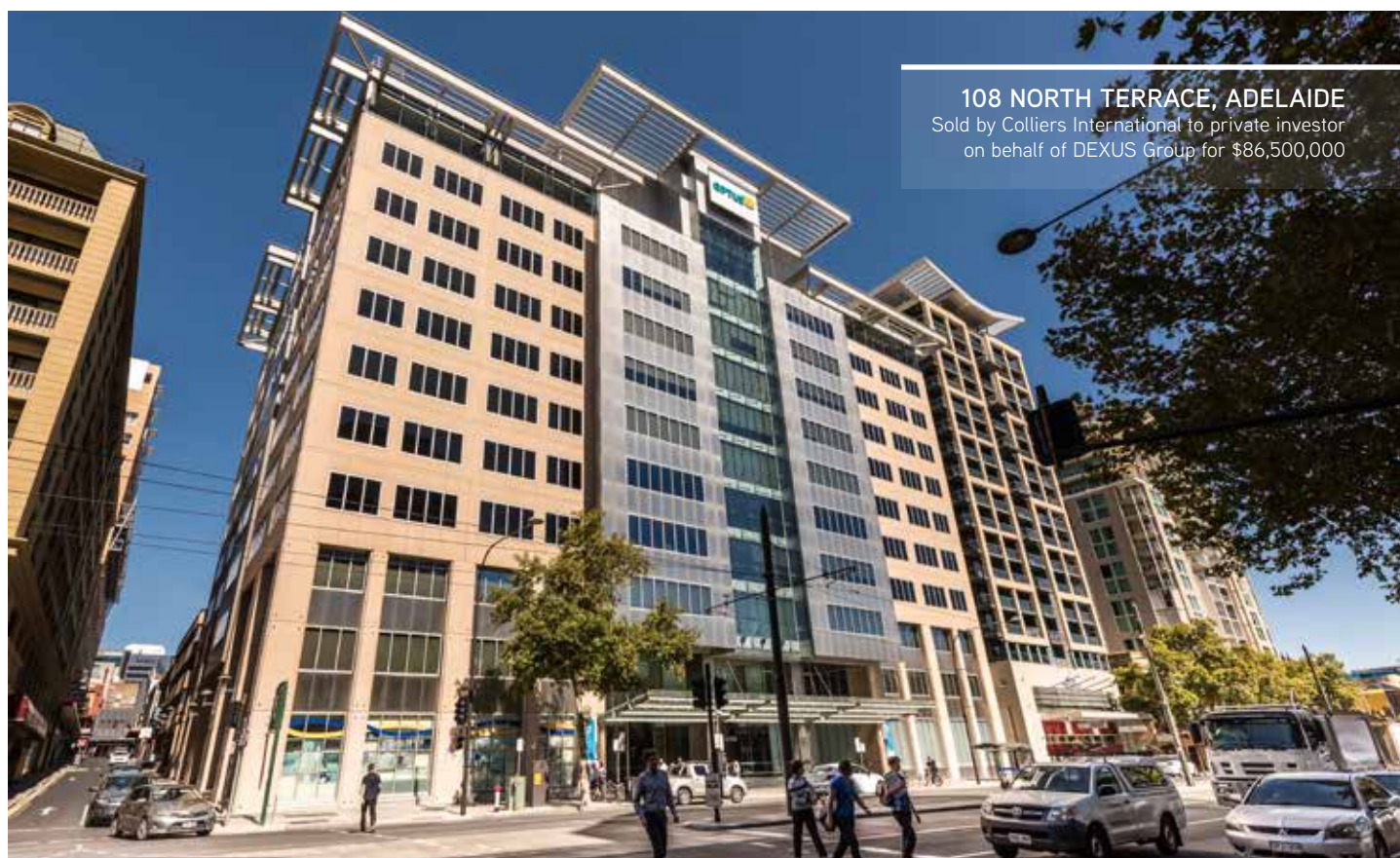
SALE DATE	June 2016
VENDOR	Mirvac
PURCHASER	Patella Properties
SALE PRICE	\$68.1 million
PASSING INITIAL YIELD	8.99%
NLA	14,812m ²
SITE AREA	4,464m ²
NET PASSING INCOME	\$6,118,213 pa
WALE	4.57 years (by income)

CASE STUDY SA

108 North Terrace is an A-grade building which was 85 per cent leased to Optus, Hewlett Packard and the SA State Government at the time of the sale and had undergone significant refurbishment in 2015. This property was offered to the market via a three stage expression of interest campaign by the Colliers International Capital markets team on behalf of DEXUS. A range of bidders expressed interest in this property with a local private investor purchasing the property.

108 NORTH TERRACE, ADELAIDE

SALE DATE	September 2016
VENDOR	DEXUS Group
PURCHASER	Local Private Investor
SALE PRICE	\$86.5 million
PASSING INITIAL YIELD	7.64%
NLA	22,073m ²
SITE AREA	2,307m ²
NET PASSING INCOME	\$8,006,626 pa
WALE	3.56 years



108 NORTH TERRACE, ADELAIDE
Sold by Colliers International to private investor
on behalf of DEXUS Group for \$86,500,000

CASE STUDY WA

Westralia Plaza is an A-Grade office building situated to the southern side of St Georges Terrace, with an additional frontage to Mercantile Lane along the western portion of the 1,873sqm 'L-shaped' lot. The asset was brought to market with two shopping centres and two other commercial assets as part a divestment of direct property holdings by ICWA. Colliers International advised ZoneQ (Far East New Central Investment Pty Ltd) on their purchase of the asset.

WESTRALIA PLAZA, PERTH

VENDOR	Insurance Commission of WA (ICWA)
PURCHASER	ZoneQ (Far East New Central Investment Pty Ltd)
SALE PRICE	\$87 million
PASSING INITIAL YIELD	9.12%
NLA	10,585.10m ²
SITE AREA	1,873m ²
NET PASSING INCOME	\$7,942,807 pa (fully leased)
WALE	3.64 years



WESTRALIA PLAZA, PERTH

Colliers International advised the Insurance Commission of WA on their purchase of the asset for \$87,000,000



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2017 INVESTMENT OUTLOOK

Potential for more yield compression

Throughout much of 2016, the commercial property asset class, both direct and listed, benefitted from tailwinds of increasing investor uncertainty, a flight to defensive asset classes and declining bond market yields.

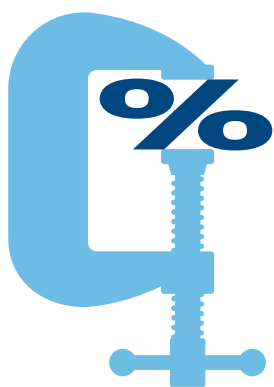
Recent political events have disrupted these tailwinds to an extent, with the most obvious example being the spike in global bond yields. However even after taking these factors into consideration, scope remains for further yield compression within the commercial property sector. For example in the September 2016

quarter, prime assets within Sydney and Melbourne were yielding 5.76 per cent and 5.5 per cent respectively, achieving spreads of 3.75 per cent and 3.49 per cent over the risk free rate at that time. This is almost double the long term historical spread for both markets. Even after taking into account the recent increase in bond yields, these spreads remain healthy at 3.06 per cent and 3.63 per cent for Sydney and Melbourne respectively. So while spreads have without doubt narrowed over the last month, they still remain above long term averages implying favourable returns for new investors.

More stock coming to market

2016 has been characterised by lower transaction volumes as investors became increasingly comfortable with holding core positions at record levels of pricing. This has created an element of frustration amongst new investors as the weight of capital chasing deployment was met with a shortage of stock. Looking forward, we expect that 2017 will see an increase in transaction volumes, as offshore investors with core strategies capitalise on the strong market conditions and rotate out of current positions. We anticipate that future yield compression will be facilitated by this core stock becoming available to investors, allowing an element of repricing to occur.

5% cap rate breach in sight



Whilst yields continue to compress, 2016 did not witness the offering of the quality of stock to warrant a sub-5 per cent cap rate. It is anticipated sales reflecting the cycle's first sub-5 per cent cap rate may occur in 2017.

Increased transaction volumes



2017 is expected to witness higher volumes of large-scale transactions, with owners of existing assets expected to capitalise on favourable conditions and developers selling down new product.

It's not all about Sydney and Melbourne



A combination of leasing forecasts and the hunt for return and WALE has increased buyer demand for Brisbane, Perth and Canberra.

DETAILED TRANSACTION LIST

2016 YEAR TO DATE

ADDRESS	SUBURB	STATE	SALE PRICE	STAKE	SALE DATE	INITIAL YIELD	\$/M ²	VENDOR	VENDOR ORIGIN OF CAPITAL	PURCHASER OF CAPITAL	PURCHASER ORIGIN OF CAPITAL
NEW SOUTH WALES											
92 Pitt Street	Sydney CBD	NSW	\$52,170,000	100%	Oct-16	4.7%	\$11,239	EG Funds Management	Australia	City Freeholds	Australia
132 Arthur Street	North Sydney	NSW	\$70,000,000	100%	Oct-16	5.5%	\$8,940	Centennial Property Group	Australia	Shanghai Shenglong Investment Group Co Ltd	China
333 Kent Street	Sydney CBD	NSW	\$88,888,888	100%	Sep-16	5.9%	\$9,794	Maville Group	China	I-Prosperity	China
28 O'Connell Street	Sydney CBD	NSW	\$91,000,000	100%	Sep-16	4.7%	\$14,879	ACE Insurance Limited	USA	Coombes Property Group	Australia
90 Arthur Street	North Sydney	NSW	\$75,000,000	100%	Aug-16	6.3%	\$8,200	151 Property Group (Blackstone)	USA	Deutsche AWM - Germany	Germany
210 George Street	Sydney CBD	NSW	\$50,811,487	100%	Jul-16	3.4%	\$10,224	Anton Capital OBO Goldman Sachs	Australia	Poly Real Estate Group	China
220 George Street	Sydney CBD	NSW	\$109,188,466	100%	Jul-16	4.8%	\$10,224	Anton Capital OBO Goldman Sachs	Australia	Poly Real Estate Group	China
136 Liverpool Street	Sydney CBD	NSW	\$55,000,000	100%	Jul-16	5.7%	\$9,392	Citadin	Malaysia	AMA Fund Pty Ltd	Australia
61 Lavender Street	Lavender Bay	NSW	\$140,000,000	100%	Jul-16		\$14,737	Barana Group	Australia	Shanghai Shenglong Investment Group Co Ltd	China
52 Alfred Street	Milsons Point	NSW	\$130,000,000	100%	Jul-16		\$13,069	Bridgehill Group	Australia	Undisclosed	China
3 Spring Street	Sydney CBD	NSW	\$70,000,000	100%	Jun-16	N/A	N/A	Christie Corporate	Australia	Brookfield Prime PF	Australia
140 Sussex Street	Sydney CBD	NSW	\$130,000,000	100%	Jun-16	5.8%	\$10,450	RREEF Europe	Germany	Bank of China	China
1 Shelley Street	Sydney CBD	NSW	\$525,000,000	100%	May-16	5.1%	\$15,916	Brookfield Property Partners	USA	Charter Hall Core Plus Office Fund & Morgan Stanley Real Estate Investine (50/50)	USA
420 George Street	Sydney CBD	NSW	\$442,500,000	75%	Apr-16	5.3%	\$15,655	Fortius Funds Management	Australia	Investa Property Group	Australia
110 Goulburn Street	Sydney CBD	NSW	\$148,500,000	100%	Apr-16	5.6%	\$11,645	Kinder Investments	Australia	Commerz Real	Germany
181 Miller Street	North Sydney	NSW	\$101,000,000	100%	Apr-16		\$8,417	LIF Pty Ltd	Australia	NSW Government	Australia
151 Castlereagh Street	Sydney CBD	NSW	\$120,000,000	100%	Mar-16	5.6%	\$9,191	Acom II Subtruso 1 Pty Ltd (Blackstone)	USA	Deutsche AWM - Germany	Germany
100 Arthur Street	North Sydney	NSW	\$315,000,000	100%	Mar-16	6.2%	\$11,499	Salteri family	Australia	Ascendas-Singbridge	Singapore
179 Elizabeth Street	Sydney CBD	NSW	\$148,800,000	100%	Jan-16	7.0%	\$9,967	LaSalle Investment Management	Australia	Markham Corporation	Australia
77 King Street	Sydney CBD	NSW	\$160,000,000	100%	Jan-16	5.8%	\$11,743	Keppel REIT	Singapore	Invesco Australia	USA
NSW TOTAL			\$3,022,858,841								

ADDRESS	SUBURB	STATE	SALE PRICE	STAKE	SALE DATE	INITIAL YIELD	\$/M²	VENDOR	VENDOR ORIGIN OF CAPITAL	PURCHASER OF CAPITAL	PURCHASER ORIGIN OF CAPITAL
VICTORIA											
12 Riverside Quay	Southbank	VIC	\$160,000,000	100%	Dec-16	5.25%	\$7,901	Exxon Mobil	USA	Offshore Private	China
100 Queen Street	Melbourne	VIC	\$275,000,000	100%	Dec-16	5.25%	\$7,058	ANZ Bank	Australia	GPT (GWOF)	Australia
One Melbourne Quarter	Melbourne	VIC	\$250,000,000	100%	Nov-16			Lendlease	Australia	Lendlease APPF	Australia
5 Queens Road	Melbourne	VIC	\$116,100,000	100%	Nov-16	5.62%	\$6,634	Charter Hall	Australia	Tong Eng Group	Singapore
438 Elizabeth Street	Melbourne	VIC	\$75,600,000	100%	Nov-16	4.60%	\$5,487	Selected Growth Properties	Australia	Private	China
825 Bourke Street	Melbourne	VIC	~\$73,000,000	100%	Nov-16	6.13%	~\$7,000	Lendlease APPF Commercial	Australia	Private Investor	Australia
114 William Street	Melbourne	VIC	\$161,500,000	100%	Oct-16	5.49%	\$8,091	Straits Real Estate	Singapore	AFIAA	Switzerland
Southgate Complex: 3 Southgate Avenue	Southbank	VIC	\$578,000,000	100%	Aug-16	6.41%	\$7,584	DEXUS Property Group	Australia	Suntec REIT/PIP	Singapore/ Korea
Twenty8 Freshwater Place	Southbank	VIC	\$286,000,000	100%	Jul-16	6.61%	\$8,409	GPT (GWOF)/Frasers Australia	Australia	JP Morgan	USA
380 La Trobe Street	Melbourne	VIC	\$176,500,000	100%	Jul-16	5.64%	\$8,149	Invesco Australia	Germany	Wharf Street Investments	Singapore
75 Dorcas Street	South Melbourne	VIC	\$166,000,000	100%	Jun-16	6.96%	\$6,720	SachsenFonds	Germany	Growthpoint	South Africa
120 Spencer Street	Melbourne	VIC	\$165,000,000	100%	May-16	7.00%	\$4,961	Stamoulis Property Group	Australia	Anton Capital OBO Goldman Sachs	USA
1 Collins Street	Melbourne	VIC	\$125,000,000	100%	Feb-16	5.20%	\$8,925	Overland Properties	Australia	Stamoulis Property Group	Australia
VIC TOTAL			\$2,607,700,000								
QUEENSLAND											
111 Eagle Street	Brisbane	QLD	\$184,200,000	33%	Dec-16	5.5%	\$13,280	Abu Dhabi Investment Authority	United Arab Emirates	GPT Wholesale Office Fund	Australia
324 Queen Street	Brisbane	QLD	\$66,000,000	50%	Nov-16	7.92%	\$6,642	Brookfield	Canada	Abacus	Australia
324 Queen Street	Brisbane	QLD	\$66,000,000	50%	Nov-16	7.92%	\$6,642	Dexus	Australia	Investec	South Africa
37 & 41 O'Connell Terrace	Bowen Hills	QLD	\$52,000,000	100%	Oct-16	6.37%	\$6,805	CBIC	Australia	VennCap Real Estate	Germany
235 Stanley Street	Townsville City	QLD	\$53,500,000	100%	Jun-16	TBA	\$3,878	Patella Properties	Australia	GDI Property Group	Australia
10 Browning Street	South Brisbane	QLD	\$65,500,000	100%	Jun-16	7.75%	\$5,796	Armada Funds Management	Australia	Forza Capital	Australia
Primary Industries Building: 80 Ann Street	Brisbane	QLD	\$63,000,000	100%	May-16	10.09%	\$2,960	QIC	Australia	Wee Hur Holdings Ltd	Singapore
300 Queen Street	Brisbane	QLD	\$188,000,000	100%	Apr-16	7.04%	\$9,709	Seymour Group	Australia	ARA Asset Management	Singapore
15 Butterfield Street	Herston	QLD	\$81,470,000	100%	Apr-16	6.98%	\$7,239	Clive Berghofer	Australia	Australian Unity	Australia
Brisbane Transit Centre: 159-171 Roma Street	Brisbane	QLD	\$62,600,000	50%	Mar-16	8.79%	\$3,836	GPT Group	Australia	Australian Prime Property Fund (Commercial)	Australia
100 Skyring Terrace	Newstead	QLD	\$93,100,000	50%	Mar-16	6.80%	\$7,574	PSP Investments	Canada	Charter Hall Direct Office Fund	Australia
28 Macgregor Street	Upper Mount Gravatt	QLD	\$57,100,000	100%	Jan-16	8.23%	\$3,997	Makro Pty Ltd	Australia	LaSalle Investment Management	United States
Mineral House: 41 George Street	Brisbane	QLD	\$159,800,000	100%	Jan-16	8.66%	\$5,334	QIC	Australia	AEP IM	Singapore
QLD TOTAL			\$ 1,426,270,000								

ADDRESS	SUBURB	STATE	SALE PRICE	STAKE	SALE DATE	INITIAL YIELD	\$/M²	VENDOR	VENDOR ORIGIN OF CAPITAL	PURCHASER OF CAPITAL	PURCHASER ORIGIN OF CAPITAL
AUSTRALIA CAPITAL TERRITORY											
Scarborough House	Woden	ACT	\$72,300,000	100%	Nov-16	7.29%	\$4,310	Indigenous Real Estate Trust	Australia	Centuria	Australia
111 Alinga Street	Canberra	ACT	\$76,500,000	100%	Oct-16	8.21%	\$4,799	Brookfield Property Partners	USA	Prime Super	Australia
Aviation House, 16 Furzer Street	Philip	ACT	\$68,100,000	100%	Jun-16	8.99%	\$4,596	Mirvac	Australia	Patella Group	Australia
ACT TOTAL			\$216,900,000								

SOUTH AUSTRALIA											
25 Grenfell Street	Adelaide	SA	\$125,100,000	100%	Dec-16	TBA	\$4,964	GDI Property Group	Australia	Credit Suisse	Switzerland
Westpac House, 91 King William Street	Adelaide	SA	\$88,500,000	50%	Nov-16	7.00%	\$5,157	Abacus Property Group	Australia	ICAM Funds	Australia
108 North Terrace	Adelaide	SA	\$86,500,000	100%	Aug-16	7.64%	\$4,309	Dexus CPA Trust	Australia	Crotti Family	Australia
80 Grenfell: 77-91 Rundle Mall	Adelaide	SA	\$150,000,000	100%	Jan-16	6.50%	\$8,696	Pacific Group of Cos JV epc,Pacific	Australia	Blackstone	USA
30 Flinders Street	Adelaide	SA	\$63,500,000	100%	Jan-16	7.94%	\$4,659	Shakespeare Property Group	Australia	Crotti Family	Australia
SA TOTAL			\$513,600,000								

WESTERN AUSTRALIA											
Westralia Plaza: 167 St Georges Terrace	Perth	WA	\$87,000,000	100%	Jul-16	9.12%	\$8,219	Insurance Commission of WA	Australia	Zone Q	China
81 St Georges Terrace	Perth	WA	\$82,950,000	100%	Mar-16	7.30%	\$6,965	Private Investor	Australia	ARA Asset Management	Singapore
Forrest Centre: 221 St Georges Terrace	Perth	WA	\$190,400,000	100%	Jan-16	8.14%	\$6,041	Insurance Commission of WA	Australia	YT International Pty Ltd	China
SA TOTAL			\$360,350,000								

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