

PRESTON ROWE PATERSON

Sydney Industrial Market Report March Quarter 2009

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Preston Rowe Paterson are actively involved in valuation and consultancy relating to all types of industrial properties including manufacturing and warehousing properties.

We act for owner occupiers, investors including private investors, syndicates and listed investment fund managers, as well as Government departments and agencies in valuing industrial property for various purposes.

Set out herein is our quarterly research report, which considers the NSW Industrial property markets including sales, leasing and development activity.

In addition to undertaking valuations and consulting in the industrial sector we also undertake industrial property asset management on behalf of clients.

Please contact either Greg Preston or Greg Rowe if you have any industrial valuation or asset management requirements.

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Please note: these reports have been compiled retrospectively based on the latest available statistics that may have up to a three month lag. Some figures may not incorporate the effects of the recent financial global crisis, effects of the stock market crash and the continuing sub-prime credit crisis in the US. We expect some figures to dampen as updated data becomes available. Some market conditions may have changed since this time and these changes will be reflected in future reports.

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Industrial Overview

Australia's industrial sector is starting to feel the affects of the economic downturn with demand for development in most capital cities falling sharply. Weak demand, hesitancy in tenants, stagnate rents, decreased confidence and profit expectations, and an increased difficulty in obtaining finance have caused planned new investment to drop to low levels.

A record amount of industrial property supply has been developed in Australia over the last five years. In 2006, a record 1.98 million square metres were added to the market, while in 2007 the record was surpassed with 2.65 million square metres added. The latest figures show that 2008 supplied 2.6 million square metres with industry sources forecasting just below 2 million for 2009.



In Sydney, demand for industrial development is declining due to the weakening economic activity and the expectation of difficult trading conditions in the short-term. The high volume of industrial development seen in 2008 where one million square metres of new space was completed aren't likely to be seen for some time as availability of finance and weak pre-commitments prevail.

In terms of sales activity, a number of industrial stock is currently being offered for sale, but limited funding capability and weakened market sentiment is restricting transaction volume. However, transaction activity is expected to increase in 2009 as forced sales occur and cashed up private investors return to the market.

The fifth consecutive cut in interest rates with increasing yields will also likely stimulate investment and owner-occupier markets over 2009. Yields have been estimated to have increased by 75 to 100 basis points over the course of 2008 and are expected to soften further before stabilising over the course of 2009.

We are closely monitoring both sales and leasing transactions to consider the impact the global credit crisis has had on the Australian real estate market; focussing particularly on the pricing of property today relative to the pricing of property before the credit crisis.

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North Shore

The main industrial precincts within Sydney- North Shore include Artarmon, Lane Cove, Chatswood, St Leonards, Willoughby, Frenchs Forest, Brookvale, Balgowlah, Mona Vale and Manly Vale.

The Sydney North Shore industrial market appears to face a shortage of suitable, large industrial floor spaces in comparison to that offered from other industrial markets towards the west, which benefit from being strategically located near major transport links and large land provisions. The market has successfully established itself as a prime industrial market for small to medium sized tenants and owner occupiers through its ability to offer quality strata industrial floor space.

Development Pipeline

A number of projects have been delayed due to developer difficulties in accessing funding coupled with the pressure on development margins. The largest project on the North involves the construction of three warehouses at West Lane Cove Business which will provide 33,479 square metres of industrial space.

Two industrial units comprising anticipated to be completed in January 2010 will provide 5,248 square metres of industrial space. The units will be located at 27 Mars Road in Lane Cove.

Industrial Sales Market

Sales activity in the North remained subdued over the six months to March 2009. The largest deal recorded was the \$3.9 million sale of a warehouse and office building located at 75 Dickson Avenue in Artarmon, with a net lettable area of 2,112 square metres.

The increased cost of debt due to current credit crisis, the volatile financial markets and economic uncertainty continues to affect investor sentiment. The cost of funding has increased and stricter lending criteria have been placed on potential buyers. This has resulted in a dampening effect on the market with a softening of yields across the board.

Large transactions over \$5 million are scarce over the first quarter of 2009 compared to the first half of the year where the North Shore market witnessed the sale of the Chatswood Business Park for \$29 million and Skyline Business Park in Frenchs Forest for \$12.5 million.

Major sales transaction that occurred on the North Shore since May 2008 is included in the table below:

SALE DATE	ADDRESS	SPACE USE	SALE PRICE	AREA (SQM)	RATE /SQM	INITIAL YIELD	BUYER
Sep-08	75 Dickson Avenue, Artarmon	Office and Warehouse	\$3,900,000	-	-	-	J.W.B Estates Pty Ltd
Jul-08	75 Reserve Road, Artarmon	Office and Warehouse	\$1,650,000	800	\$2,063	-	Private
Jul-08	12 Waltham Street, Artarmon	Office and Warehouse	\$1,925,000	670	\$2,873	-	Salmon Ventures Pty Ltd
May-08	372 Eastern Valley Way	Industrial Estate	\$29,000,000	12,688	\$2,286	7.81%	Charter Hall
May-08	5 Skyline Place, Frenchs Forest	Business Park	\$12,500,000	6,367	\$1,963	7.33%	Platino Properties

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Leasing Market

The current uncertainty in the economic environment that has affected investor sentiment has also affected the current demand for leasing. Caution has been adopted by prospective tenants and owner occupiers who have opted to renew or extend current leases rather than move premises.

Landlords have increased their incentives to attract new tenants to their properties. The average incentives now range from between 8 and 12 per cent.

The biggest lease deal on the North Shore so far this year was signed by health care manufacturer St Jude Medical at 17-19 Orion Road Lane Cove. St Jude Medical has committed to 1,816 square metres of office space, 703 square metres of warehouse space and 60 car spaces. The lease term is for 10-years and was signed for \$185 per square metre per annum with a 20 per cent incentive.

The table below shows the major lease transactions that have occurred since August 2008:

12 Waltham Street in Artarmon sold for \$1.925 million



LEASE START DATE	ADDRESS	RENT/SQM	NET/GROSS	AREA	TERM (YRS)	TENANT
Mar-09	17-19 Orion Road, Lane Cove	\$185	Net	2,500	10	St Jude Medical
Oct-08	6 George Place, Artarmon	\$157.90	Net	760	4	The Ward Family Trust
Nov-08	45 Winboourne Road, Brookvale	\$159	Gross	220	3 + 3	A&B Motor Sports
Oct-08	28 Barcoo Street, Chatswood	\$200	Gross	375	4 + 4	Enviro Pac Services Pty Ltd
Aug-08	3 Warrah Street, Chatswood	\$162	Gross	600	-	Dataline Pty Ltd

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North West

The main industrial precinct of Sydney - North West include Castle Hill, North Rocks, North Ryde/Macquarie Park, Epping, Baulkham Hills and Kings Park

The Sydney North West industrial precinct forms part of the Macquarie Park Corridor Project, a project which has served as a major catalyst for attracting significant investor and tenant demand into the market.

The City of Ryde council has successfully transformed the North Ryde industrial area into a high tech business park and now, a thriving commercial employment centre and premium location for some of the largest tenants from the scientific, information technology, telecommunication and medical research sectors.

Development Activity

A number of developments to be commenced in 2009 are located in Kings Park. One project is a 3-storey self storage facility comprising of 7,290 square metres of industrial space located on Vardys Road in Kings Park is scheduled to begin construction in June 2009. Another project is a 3,000 square metre warehouse and ancillary office building located on Tasha Place in Kings Park where construction is scheduled to begin in November 2009.

15 Salisbury Road in Castle Hill sold for \$5.550 million



Industrial Sales Market

The global credit crisis has affected funding capability and weakened market sentiment. Sales transactions remain limited as well as a softening of yields as a result of poor demand.

The only major sale in the North West region over \$5 million was Dayspring College Ltd acquiring a secondhand office and warehouse building at 15 Salisbury Road in Castle Hill for \$5.550 million in September 2008. The building comprises of 2,814 square metres of industrial/office space equating to a sales price of approximately \$1,972 per square metre.

Major sales transaction that occurred in the North West since June 2008 is included in the table below:

SALE DATE	ADDRESS	SPACE USE	SALE PRICE	AREA (SQM)	RATE /SQM	INITIAL YIELD	BUYER
Sep-08	15 Salisbury Road, Castle Hill	Office and Warehouse	\$5,550,000	2,814	\$1,972	-	Dayspring College Ltd
Jun-08	84 Talavera Road, Macquarie Park	Office and Warehouse	\$28,000,000	-	-	-	St Hilliers
Jun-08	4 Giffnock Avenue, Macquarie Park	Office and Warehouse	\$7,920,000	6,384	\$1,241	-	Challenger Diversified Property Group

Leasing Market

Leasing deals remain limited in the current economic environment as cautious prospective tenants and owner occupiers opt to renew or extend current leases. Lease incentives are also on the rise as landlords attempt to entice prospective tenants to take up space. A number of major lease transactions from October 2008 are listed in the table below:

LEASE START DATE	ADDRESS	RENT/ SQM	NET/ GROSS	AREA (SQM)	TENANT
Nov-08	9 Goulburn Street, Kings Park	\$116	Net	4,028	Freedom Furniture
Oct-08	1 Coronation Drive, Kings Park	\$105	Net	5,680	Imation

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Inner West

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Inner West

The main industrial precinct of Sydney- Inner West include the suburbs of Chullora, Regents Park, Rydalmere, Homebush, Auburn, Tempe, Bankstown, Riverwood, Silverwater, Ermington, Milperra, Lidcombe, Granville.

Development Activity

A warehouse and office facility located on Gow Street in Padstow has received development approval and will proceed on tenant pre-commitment. The project will involve the construction of a new 11,000 square metre warehouse facility and associated offices. Construction is currently scheduled to commence in November 2009 and be complete in May 2010.

A development application has been submitted for the construction of two factory units and office areas totalling 1,779 square metres located at 361 Chisholm Road in Auburn. If approved, constructing is expected to commence in November 2009 and be completed in March 2010.

Industrial Sales Market

Major investment sales transactions remain limited over the first quarter of 2009 as a result of the current credit crisis, the volatile financial markets and economic uncertainty. With credit harder to obtain, and with a softening of yields across the board, investors are being cautious.

The largest sale witnessed over the quarter was the sale of a warehouse and office facility at 90 Ashford Avenue in Milperra sold by the Mirvac Real Estate Investment Trust for \$11.3 million. The property was constructed in 2002, and has a gross lettable area of 7,970 square metres on a 20,210 square metre site with 55 car spaces.

The site has close proximity to the M5 motorway, Hume Highway and M7 Westlink Freeway. The anchor tenant, Cope Sensitive Transport, has a lease until October 2012 and an additional 10 year option.

A couple of sales were witnessed under \$5 million in the inner west. A factory property located at 362 Horsley Road in Milperra sold after auction for \$1.775 million. The property comprises of a 1,812 square metre factory, warehouse and office building on a 2,735 square metre site. The sale price equates to a building rate of approximately \$980 per square metre and a site rate of \$649 per square metre.

90 Ashford Avenue in Milperra sold for \$11.3 million



362 Horsley Road in Milperra sold for \$1.775 million



A warehouse and office property located at 46 Derby Street in Silverwater sold for \$2.55 million reflecting a yield of 9.93 per cent. The total building area was 1,596 square metres which equates to a sale price of approximately \$1,598 per square metre.

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Inner West

March Quarter 2009



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The table below shows the major lease transactions that have occurred the inner west region since December 2008:

SALE DATE	ADDRESS	SPACE USE	SALE PRICE	AREA (SQM)	RATE /SQM	INITIAL YIELD	BUYER
Mar-09	362 Horsley Road, Milperra	Factory, Warehouse and office	\$1,775,000	1,812	\$980	N/A	Undisclosed
Feb-09	90 Ashford Avenue, Milperra	Industrial	\$11,300,000	7,970	\$1,418	8.65%	Private
Dec-08	38 Birnie Avenue, Lidcombe	Distribution Centre	\$14,300,000	12,080	\$1,184	9.61%	Owner Occupier
Dec-08	46 Derby Street, Silverwater	Warehouse and Office	\$2,550,000	1,596	\$1,598	9.93%	Owner Occupier

46 Derby Street in Silverwater sold for \$2.55 million



Leasing Market

Leasing deals remain limited in the current economic environment as cautious prospective tenants and owner occupiers opt to renew or extend current leases. A number of major lease transactions from October 2008 are listed in the table below:

LEASE START DATE	ADDRESS	RENT/ SQM	NET/ GROSS	AREA	TERM (YRS)	TENANT
Mar-09	258 Milperra Road, Milperra	\$105	Net	1,335	5 + 5	Bradley Wash Fountain & Co Pty Ltd
Mar-09	4/15 Percy Street, Auburn	\$127	Net	1,020	3	Agostino Flowers and Sundries Pty Ltd
Nov-08	79 Gow Street, Padstow	\$114	Gross	1,910	1	Blue Scope Steel
Oct-08	75-89 Ashford Avenue, Milperra	\$70	Net	10,000	-	Ceva Logistics
Oct-08	18 Euston Street, Rydalmere	\$102	Net	1,001	5	Abian Press Pty Ltd
Oct-08	14-28 Bellona Avenue, Regents Park	\$105	Gross	1,404	3	Metrostate Security Courier Pty Ltd

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Outer West

The main industrial precinct of Sydney - Outer West include St Marys, Yennora, Arndell Park, Wetherill Park, Ingleburn, Villawood, Huntingwood, Girraween, Seven Hills, Liverpool, Moorebank, Rosehill, Greystanes, Erskine Park, Glendenning, Smeaton Grange and Bonnyrigg.

Development Activity

Investors have substantially wound back industrial property development heading into 2009, in the expectation that rent growth will decline and yields will continue to soften. Weak demand, decreased confidence and profit expectations and an increased difficulty in obtaining finance have caused planned new investment to drop to low levels.

However, the outer west industrial market will continue to dominate new supply, supported by land releases and new infrastructure, as well as the government led initiative to promote industrial activity in 'employment lands' via the Sydney Metropolitan Strategy.

Employment lands include the traditional industrial areas for manufacturing, warehousing, construction and repairs; business and technology parks for higher-order jobs; and areas containing a mix of activities associated with transforming, storing, maintaining and repairing materials and goods.

A development application is with council for the Old Wall Grove Road Industrial Development. The proposed development, located at located on Old Wall Grove Road in Eastern Creek, will involve the construction of four warehouse buildings containing offices comprising a total floor area of 29,000 square metres and car parking for 282 vehicles.

Dexus Property Group has submitted a preliminary environmental assessment for their proposed Dexus Industrial Estate. The development, located at Reconciliation Drive in Greystanes, involves the construction of an industrial park for storage and distribution centres and a rand of other industrial/commercial uses within the Southern Employment Lands.

The total proposed floor area over the four development lots is 213,555 square metres comprising of 191,335 square metres of warehouse area and 22,020 square metres of office space.

120 Miller Road in Villawood sold for \$17.5 million



The proposed development falls within three council areas - Blacktown, Fairfield and Holroyd City Council – and construction is scheduled to commence, if approved, in July 2010. Construction is estimated to be complete in 2015.

Industrial Sales Market

It is expected that in the first half of 2009, sales volumes will increase in the outer west industrial market as cash up private investors, syndicates and owner occupiers take advantage of opportunities from those that are forced to sell.

The continuation of the global financial and economic crisis during 2008 has caused a softening of yields across the sector, with prime and secondary properties attracting an indicative rise of 100 and 150 basis points respectively, to approximately 7.75 per cent and 8.5 per cent.

In February 2009 the Australian Archive Repository located at 120 Miller Road in Villawood sold privately from \$17.5 million. The large warehouse is leased to the Commonwealth Government for 10-years. The building is approximately 21,954 square metres resulting in a sale price of \$797 per square metre.

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Industrial Sales Market

The outer west has witnessed a couple of large transactions over the second half of 2008. The German pension fund Deka Immobilien Investment has acquired an industrial park at Greystanes from Stockland for \$53.5 million. The M4 Greystanes Industrial Park was sold on a 7.9 per cent capitalisation rate representing a 90-basis point rise from the last valuation carried out in June, which valued the park on a 7 per cent capitalisation rate at \$58 million.

An industrial warehouse and office building located at 5 Contaplas Street in Arndell Park has sold for \$52 million on a yield of 7.36 per cent. The building is approximately 39,945 square metres resulting in a sale price of \$1,302 per square metre.

The table below shows the major lease transactions that have occurred the outer west region since August 2008:

SALE DATE	ADDRESS	SPACE USE	SALE PRICE	AREA (SQM)	RATE /SQM	INITIAL YIELD	BUYER
Feb-09	120 Miller Road, Villawood	Warehouse	\$17,500,000	21,954	\$797	-	Undisclosed
Dec-08	Sydney Orbital Park, Smeaton Grange	Industrial	\$10,000,000	11,030	\$907	8.73%	loof Limited
Dec-08	25-29 Christina Road, Villawood	Industrial	\$2,700,000	2,107	\$1,281	-	Private
Oct-08	6-8 Helles Avenue, Moorebank	Factory and Office	\$3,000,000	3,281	\$914	6.93%	Private
Sep-08	M4 Greystanes Industrial Park, 6-20 Clunies Roass Street, Greystanes	Industrial Park	\$53,500,000	38,579	\$1,387	7.73%	Deka Immobilien Investment
Aug-08	5 Contaplas Street, Arndell Park	Office and Warehouse	\$52,000,000	39,945	\$1,302	7.36%	Private
Aug-08	120 Toongabbie Road	Office and Warehouse	\$3,300,000	2,758	\$1,197	N/A	Private
Aug-08	152 Gilba Road, Girraween	Factory and Office	\$3,250,000	3,900	\$833	-	Undisclosed

Leasing Market

The current economic conditions as well as lower revenues in the transport industry is generating higher levels of tenant retention in the industrial property markets, as businesses put expansion plans on hold and extend current leases.

One of the largest lease deals over the quarter was Goodman Fielder pre-committing to 16,800 square metres of industrial space. Site E on the corner of Lenore Lane and Templar Road in Erskine Park was pre-leased with a 20 year lease term commencing in January 2009. The property is owned by the GPT group.

The table below shows the major industrial leases transacted over the first quarter of 2009:

LEASE START DATE	ADDRESS	RENT/ SQM	NET/ GROSS	AREA	TERM (YRS)	TENANT
Jun-09	Templar Road, Erskine Park	\$155	Net	20,000	-	Versacold
Jun-09	Site E, Templar Road, Erskine Park	\$160	Net	16,800	-	Goodman Fielder
Mar-09	8-10 Bosc Road, Ingleburn	\$85	Net	2,800	2 + 2	Energy Power Systems
Mar-09	11A Greenhills Avenue, Moorebank	\$105.00	Net	7,100	5	Selleys Australia Pty Ltd
Feb-09	6 MacDonald Road, Ingleburn	\$100	Net	5,100	10	Australia Post
Feb-09	26 Newton Road, Wetherill Park	\$100	Gross	1,100	3	M&S Construction

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South Sydney

The main industrial precinct of Sydney - South include the suburbs of Botany, Banksmeadow, Matraville, Waterloo, Alexandria, Redfern, Marrickville and Mascot.

South Sydney is one of Sydney's premier industrial locations as industrial owner occupiers and tenants are able to benefit from transport networks such as the Eastern Distributor, New Southern Railway Line, M5 Motorway, Alexandria canal, and also, the Sydney Kingsford Smith Airport which has provided the Mascot Station Precinct a significant gateway for freight and other diversification activities.

Development Pipeline

The South Sydney industrial market has a number of future developments and infrastructure projects which are currently in the pipeline. The three main projects are Green Square, the Port Botany expansion and Sydney Airport expansion.

Green Square Urban Renewal Project

The Green Square Town urban renewal project is a \$1.7 billion mixed used development which will combine residential, commercial and retail components which include providing a new town centre for the region.

In particular, construction of the Town Centre will begin in 2010 and when it is completed will provide over 2,500 homes and offices for 7,000 workers serviced by existing infrastructure.

Port Botany Expansion

Port Botany has the second largest container volumes in Australian and is expanding. Around 90 per cent of all container freight imported to NSW is delivered within a 40 kilometre radius of Port Botany. The volume of container freights through Sydney is forecast to more than double in the next ten years.

The NSW Government has approved a staged expansion of Port Botany. Some features of the expansion include extending the existing Brotherson Dock North port area to create a new terminal. It will provide for five container berths an extra 51 hectares for container storage and handling, new rail sidings and an access road. This expansion will almost double Port Botany's container handling capacity. Construction is scheduled for completion in 2011.

Proposed Green Square Town Centre



Port Botany Expansion



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Industrial Sales Market

Industrial property sales transactions have fallen as a result of the credit crisis and economic uncertainty. A number of smaller transactions were witnessed over the quarter in South Sydney. A two storey freestanding converted warehouse located at 10 Stokes Avenue has sold at auction for \$1.1 million. The property comprises of 440 square metres both levels on a 257 square metres site. The sales price equates to a building rate of approximately \$1,250 per square metres.

ING Industrial Fund sold two of their industrial assets in late 2008. The first was a 7,915 square metre property located at 1767-1799 Botany Road in Banksmeadow which was sold to two different investors for a combined price of \$12.75 million at an initial yield of 7.3 per cent. The second property located at 70 Euston Road in Alexandria was sold for \$10 million on an initial yield of 7.85 per cent.

The table below shows the major industrial sales transacted since October 2008:

SALE DATE	ADDRESS	SPACE USE	SALE PRICE	AREA (SQM)	RATE /SQM	INITIAL YIELD	BUYER
Mar-09	10 Stokes Avenue, Alexandria	Warehouse	\$1,100,000	880	\$1,250	-	Undisclosed
Dec-08	Euston Business Centre, 70 Euston Road, Alexandria	Warehouse	\$10,000,000	5,908	\$1,693	7.85%	Undisclosed
Dec-08	65 Bourke Road, Alexandria	Vacant Land	\$9,825,000	8,094	\$1,214	N/A	Private
Oct-08	142 Renwick Street, Marrickville	Office and Warehouse	\$1,450,000	880	\$1,648	N/A	Madzin Productions
Oct-08	Discovery Business Park, 1767 and 1791 Botany Road, Banksmeadow	Warehouse and Office	\$12,750,000	7,915	\$1,611	7.30%	Waige Properties Pty Ltd purchased 1767 for \$8.75m and Discovery Estates purchased 1791 for \$4m

Leasing Market

Leasing deals remain limited in the current economic environment as cautious prospective tenants and owner occupiers opt to renew or extend current leases. A number of major lease transactions from November 2008 are listed in the table below:

LEASE START DATE	ADDRESS	RENT/ SQM	NET/ GROSS	AREA	TERM (YRS)	TENANT
Mar-09	198-222 Young Street, Waterloo	\$200	Gross	450	3 + 3	One Twenty Clothing
Mar-09	1307 Botany Road, Mascot	\$110	Net	790	3 + 3	Foodies Pty Ltd
Mar-09	6-10 Rich Street, Marrickville	\$105	Gross	1,568	2 + 4	Teb Pty Ltd
Feb-09	13-15 Aylesbury Street, Botany	\$122	Gross	1,350	3 + 3	Crown Cut Joinery Pty Ltd
Jan-09	1C Sydney Steel Road, Marrickville	\$80	Gross	4,187	3 + 3	Methodioline
Nov-08	126-134 Bourke Road, Alexandria	\$145	Net	1,383	5	University Co-Op Bookshop Ltd

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Southern Suburbs

The Southern Suburbs industrial precinct includes suburbs within the Sutherland Shire - Miranda, Heathcote, Kirrawee, Caringbah, Taren Point, Kurnell, Sutherland and Gymea.

The Sydney's Southern suburbs industrial market is largely dominated by the food manufacturing, wholesale and automotive industries.

Whilst demand from heavier industrial users, investors and developers has been challenged by the larger floor spaces and improved infrastructure offered in the more established precincts in the West, there are a number of sites providing the market with redevelopment opportunities and further growth potential in order to attract other hi-tech and industrial users.

Development Activity

Development approval has been received for the Captain Cook Drive industrial development located at 266-226A Captain Cook Drive in Kurnell. The project will provide four factory units with a total floor area of 1,647 square metres, 17 car spaces and associated landscaping. Construction will commence in September 2009 and is scheduled for completion in March 2010.

A Heathcote Industrial Development has received development approval. The project, located at 17 Burns Road in Heathcote, will involve the demolition of existing building and the construction of a new factory and office building comprising a floor area of 1,412 square metres. Construction is to commence in June 2009 and is scheduled for completion in April 2010.

Investment Sales Market

Major investment sales transactions remain limited over the start of 2009 as the increased cost of debt due to the continued global credit crisis and volatility in financial markets causes investors in the southern suburbs to proceed with caution.

A secondhand warehouse and office property located at 234 Taren Point Road in Taren Point has sold at auction for \$800,000. The building comprises of a 250 square metre building on a site area of 1,130 square metres.

An office and warehouse unit located at 260 Captain Cook Drive in Kurnell has sold for \$500,000. The unit area is 284 square metres which equates to a sale price of approximately \$1,761 per square metre.

234 Taren Point Road In Taren Point Sold for \$800,000



The table below shows the major industrial leases transacted over the first quarter of 2009:

SALE DATE	ADDRESS	SPACE USE	SALE PRICE	AREA (SQM)	RATE /SQM	INITIAL YIELD	BUYER
Mar-09	234 Taren Point Road, Taren Point	Office and Warehouse	\$800,000	250	\$3,200	5.50%	Undisclosed
Jan-09	Unit 12, 260 Captain Cook Drive, Kurnell	Office and Warehouse Unit	\$500,000	284	\$1,761	-	Perpetual Nominees

Leasing Market

Leasing deals remain limited in the current economic environment as cautious prospective tenants and owner occupiers opt to renew or extend current leases.

One major lease deal was recorded over the first quarter of 2009 shown in the table below:

LEASE START DATE	ADDRESS	RENT/ SQM	NET/ GROSS	AREA	TERM (YRS)	TENANT
Jan-09	11-15 Captain Cook Drive, Caringbah	\$198	Gross	1,314	5	Sydney Mesh and Steel

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At Preston Rowe Paterson, we pride ourselves on the research which we prepare in the market sectors within which we operate. These include Commercial, Retail, Industrial, Hotel & Leisure and Residential.

We also provide comprehensive and integrated property consultancy service through our team of Real Estate Valuers, Property Investment Consultants, Listed Fund and Syndicate Advisors, the Plant & Machinery Valuation division and our Property & Asset Management division.

Preston Rowe Paterson continues to grow and expand its services globally through our relationship with **King Sturge** in the United Kingdom and Asia Pacific; and **Corporate Facilities (CORFAC)** in the United States of America.

Preston Rowe Paterson acts for an array of clients with all types of real estate, plant, machinery and equipment interests such as:

- Accountants
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- Hotel owners and operators
- Institutional investors
- Insurance brokers and companies
- Investment advisors
- Lessors and lessees
- Listed and private companies corporations
- Listed Property Trusts
- Local, State and Federal Government Departments and Agencies
- Mining companies
- Mortgage trusts
- Overseas clients
- Private investors
- Property Syndication Managers
- Rural landholders
- Solicitors and barristers
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- Trustee and Custodial companies

Our Services include:

- Acquisition/sale due diligence
- Asset and property management
- Alternative use and highest and best use analysis
- Compulsory acquisition and resumption compensation assessments
- Corporate merger and acquisition and valuation assessments (Depreciation)
- Feasibility studies
- Financial reporting valuations to meet AASB and International Accounting Valuation Standards
- Income and outgoings projections and analysis
- Insurance Valuations
- Leasing and Selling
- Listed property trust valuations and revaluations
- Litigation support
- Marketing and development strategies
- Mortgage Valuations
- Property Syndicate valuations and revaluations
- Rating and taxing objections

A Preston Rowe Paterson IT solution—Introducing E-Valuers:

- Is the IT platform that links valuers and clients across the country through the power of the internet
- Covers Residential, Commercial, Retail, Industrial, Hotel and Leisure, Special Purpose Real Estate and Plant and Machinery
- An IT solution that has been designed by the major user groups in the valuation process, but built by the best code writers in Australia
- Designed to provide a clear and transparent communication tool that caters for the needs of clients and valuers so that all remain informed as to the progress of valuation
- Allows clients to input instructions to one website and have that instruction routed to the appropriate valuation firm that covers that geographic area
- Allows clients to track via visual cues the progress of any valuation in Australasia
- For the first time provides a mechanism to allow clients to be proactive in the provision of further information to assist in the valuation process
- Is assisting in the battle on greenhouse by reducing the level of paper and other consumables required as all information once scanned is available in an online file

Preston Rowe Paterson NSW Pty Ltd ABN: 61 003 139 188

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Corporate Property Services

Real Estate Valuers

Plant & Machinery Valuers

Property and Asset Managers

Property Investment Consultants

Property Development Consultants

Research Analysts

Listed Fund and Syndicate

Advisers

Advisers

Advisers

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Advisers

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