

*This live webinar will begin shortly...*

ASIA PACIFIC CAPITAL MARKETS OVERVIEW

# SPOTLIGHT ON AUSTRALIA

2021 Q1





# AGENDA

## 1. INTRODUCTIONS



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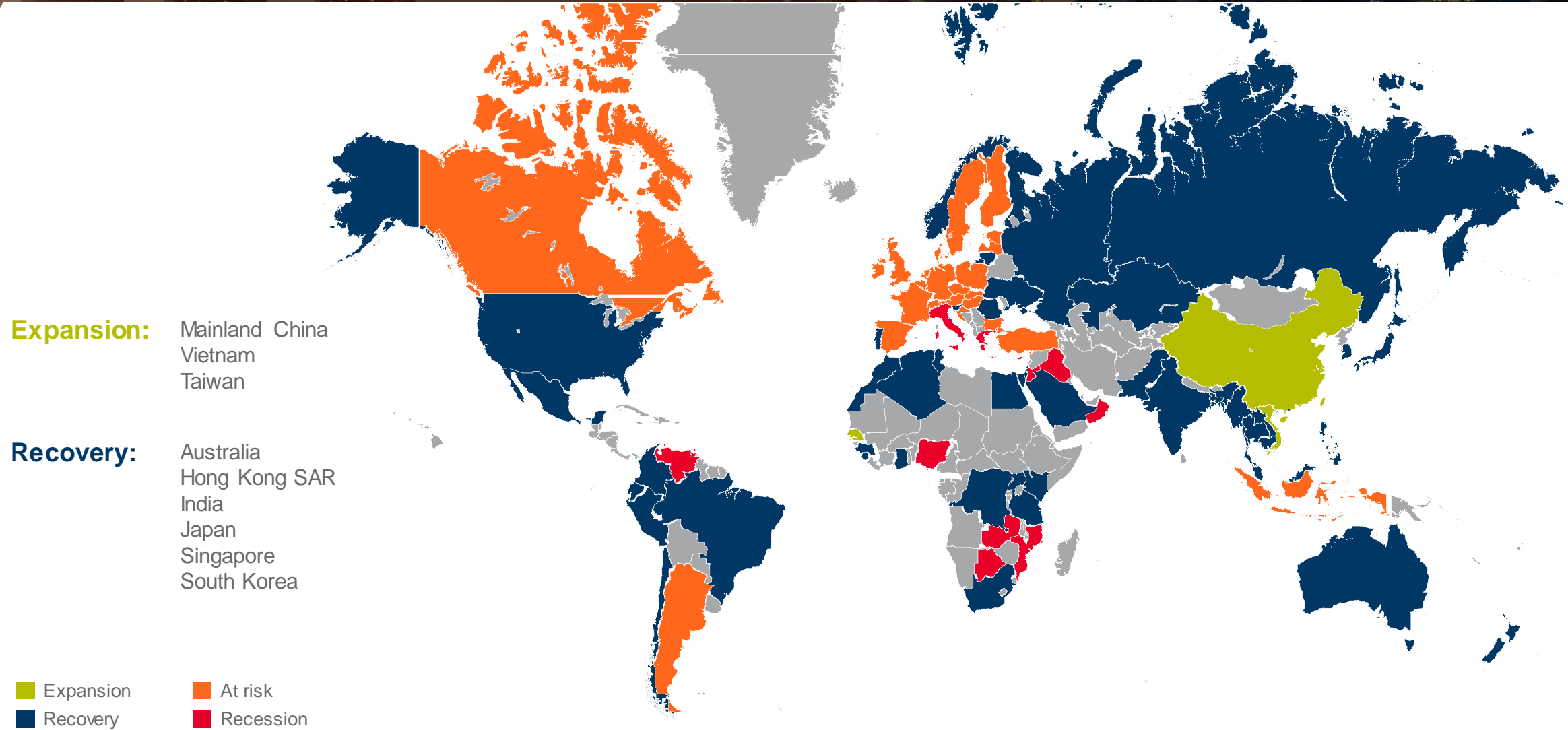
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gordon.marsden@cushwake.com

## 4. Q & A

# ASIA PACIFIC IN RECOVERY AND EXPANSION

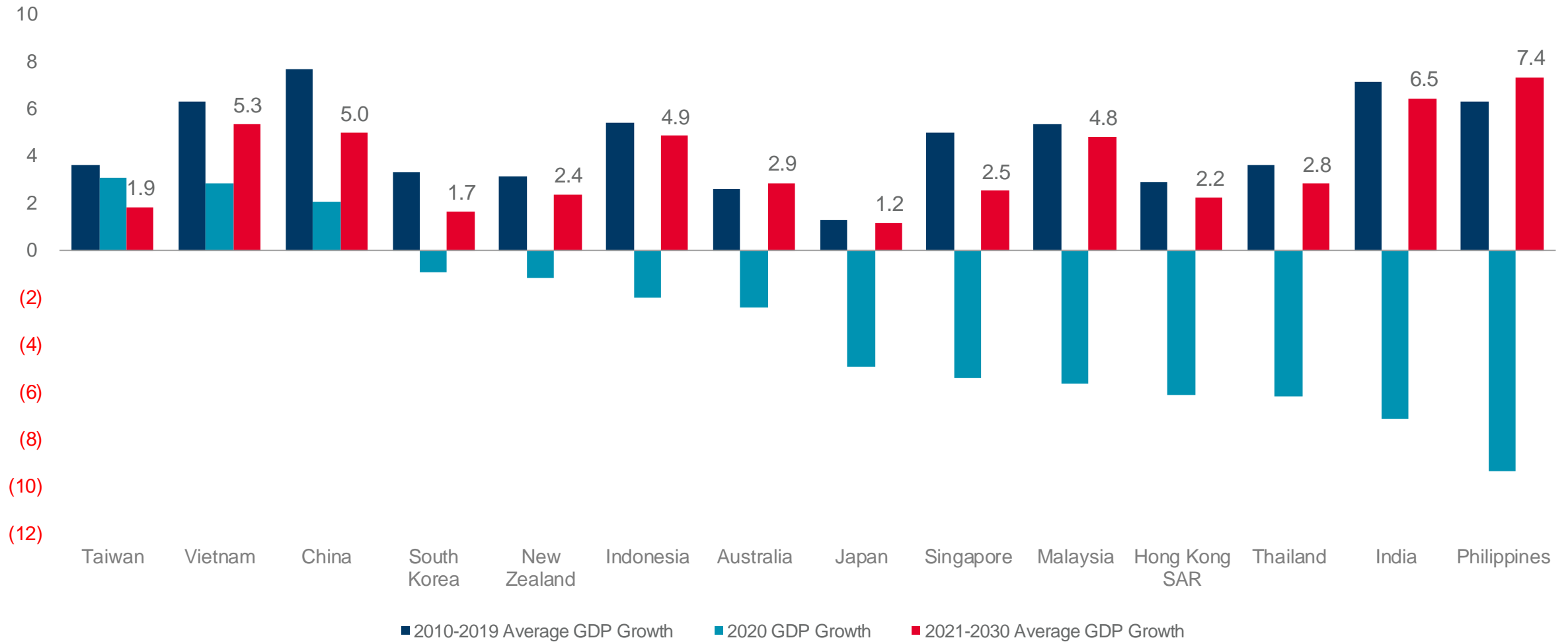
Moody's Global Business Cycle Status (March 2021)



# GDP GROWTH OUTLOOK

Strong growth in India and Philippines in the next decade

## GDP GROWTH, Y/Y %

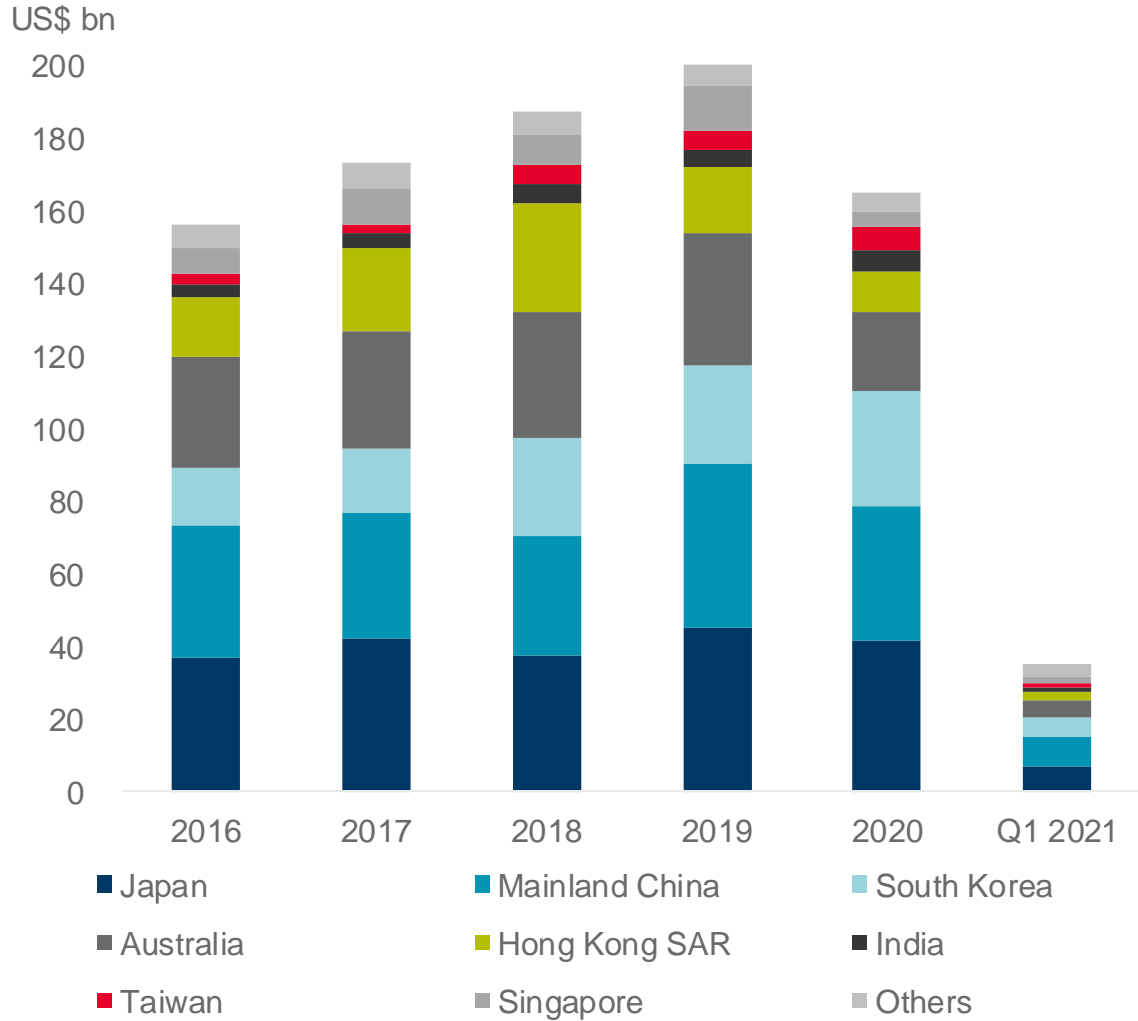




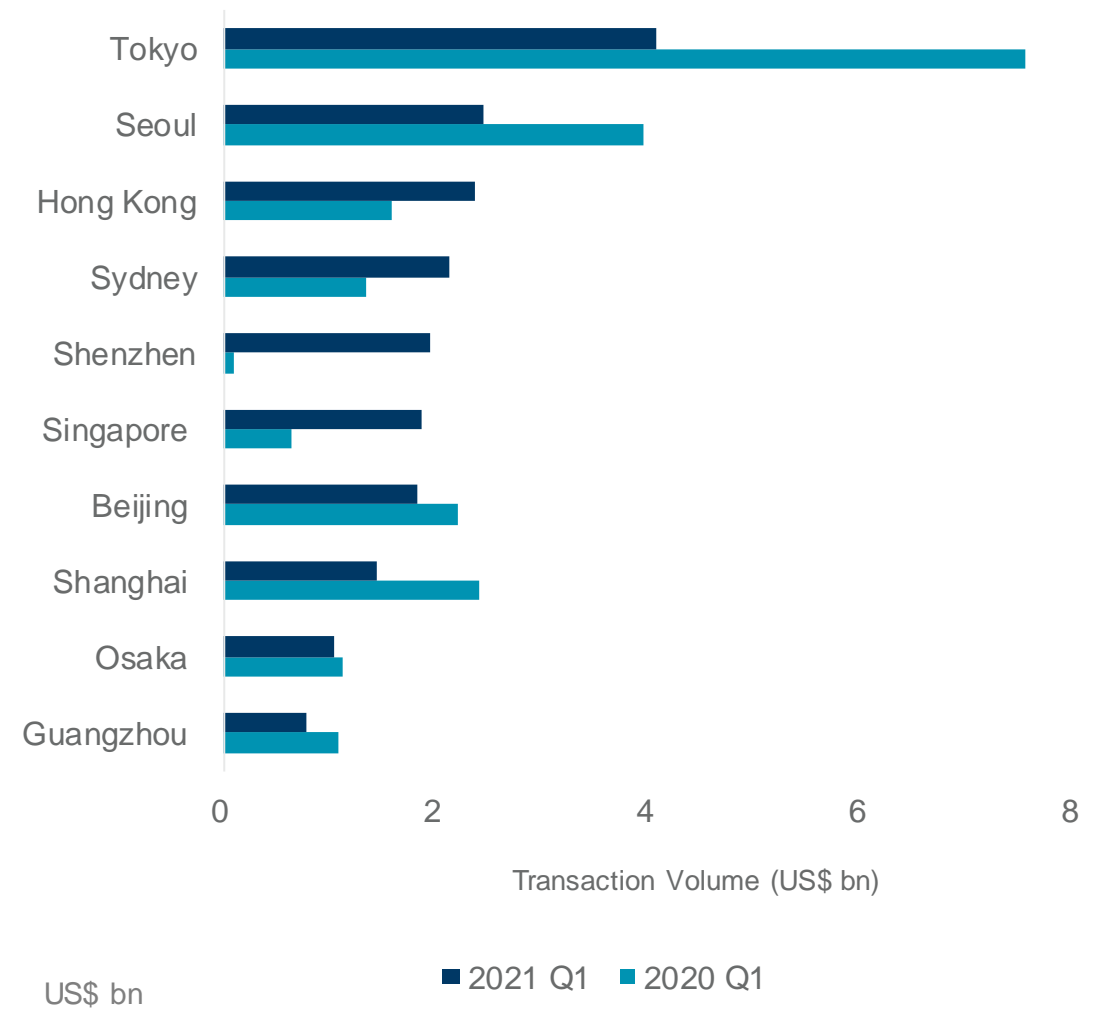
# TRANSACTION VOLUME BY MARKET

Q1 2021

## ASIA PACIFIC TRANSACTION VOLUME (EXCLUDING LAND)



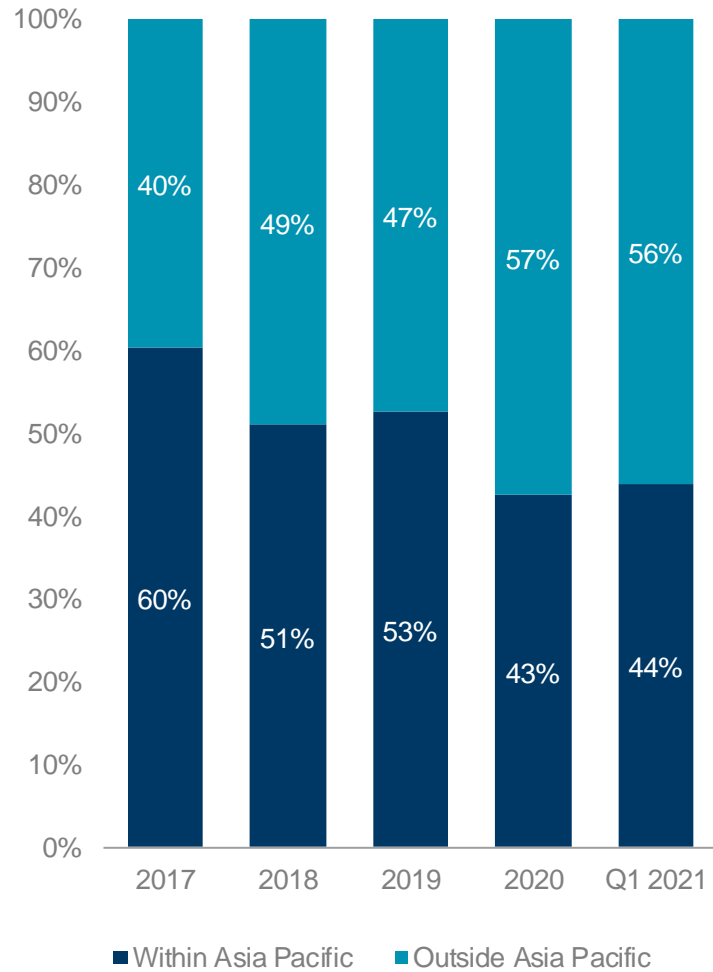
## TOTAL TRANSACTION VOLUME (EXCLUDING LAND)



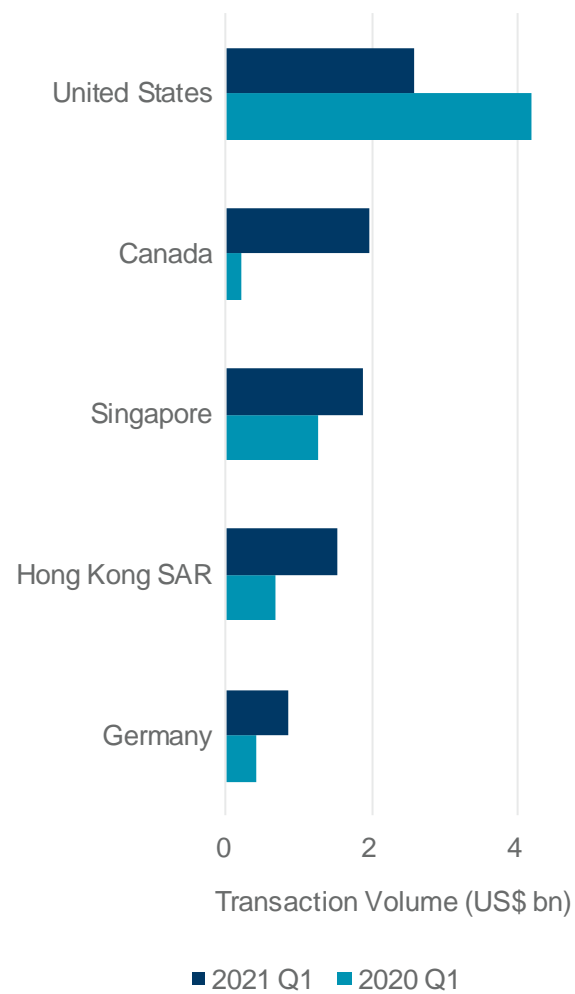
# CROSS-BORDER TRANSACTIONS

Increasing proportion of investors based outside APAC

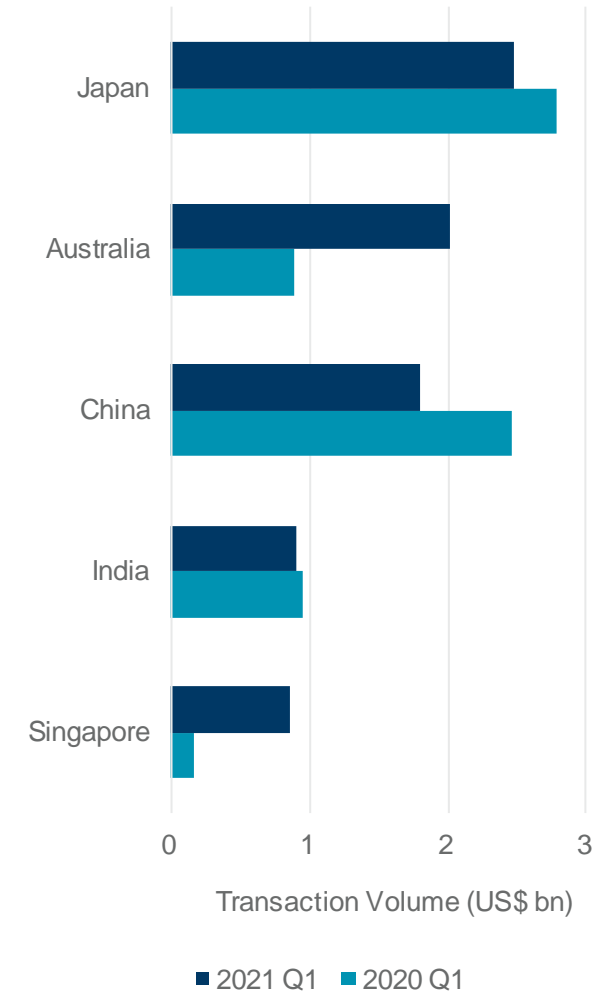
### WITHIN VS. OUTSIDE APAC



### TOP SOURCES OF CROSS BORDER CAPITAL

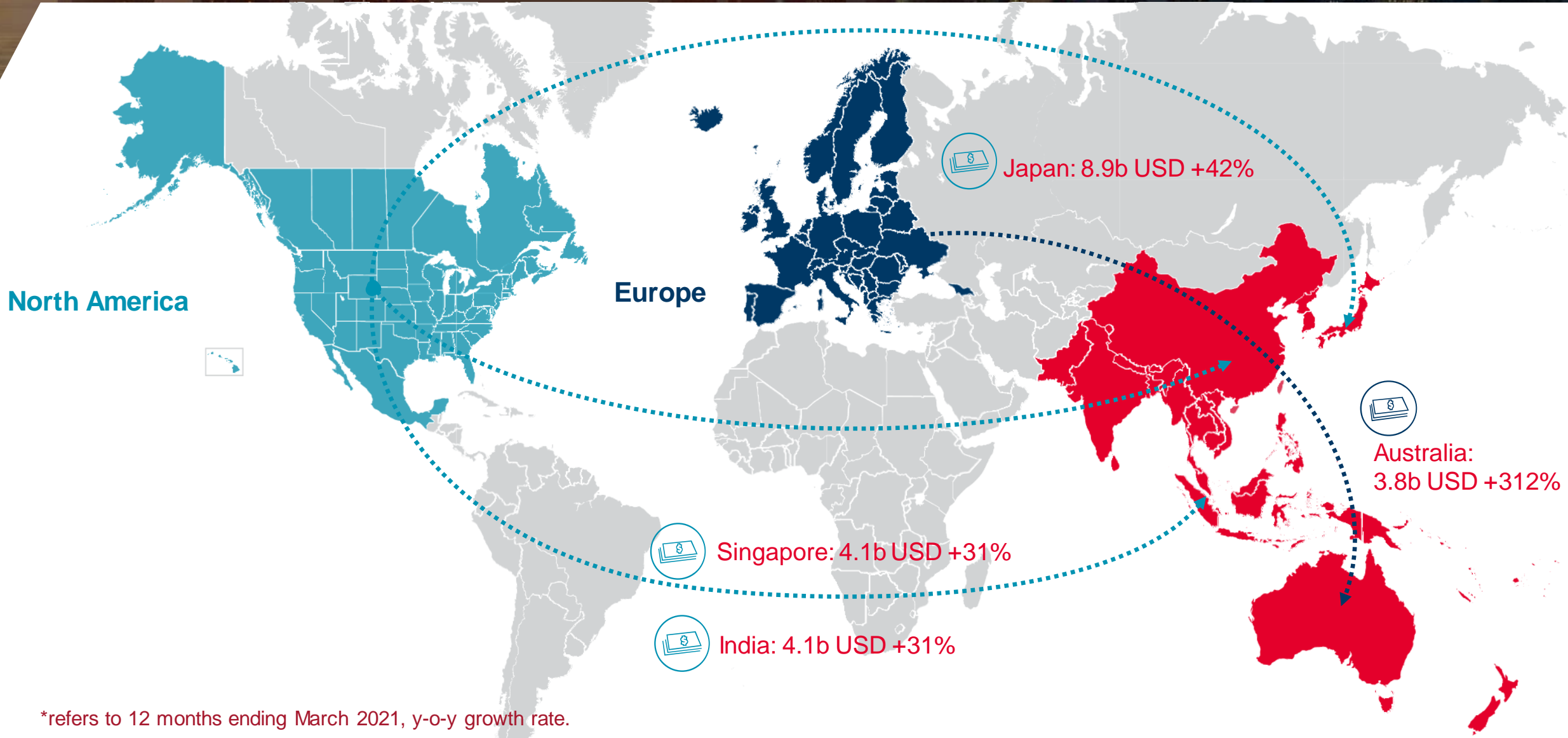


### TOP TARGETS OF CROSS BORDER CAPITAL



# ACTIVE NORTH AMERICAN AND EUROPEAN INVESTORS

Cross-border capital flows (last 12 months\*)

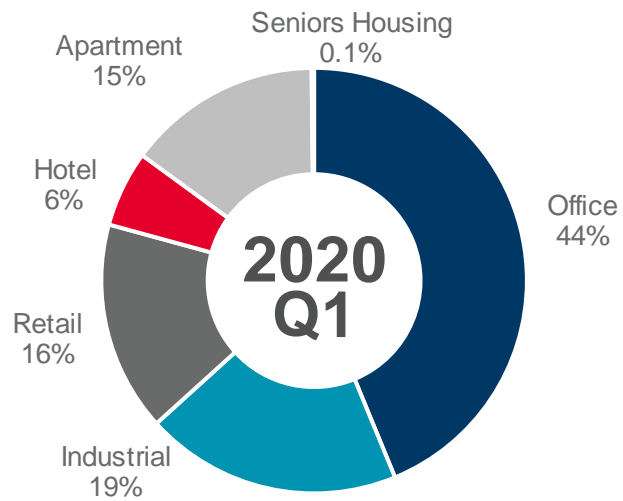
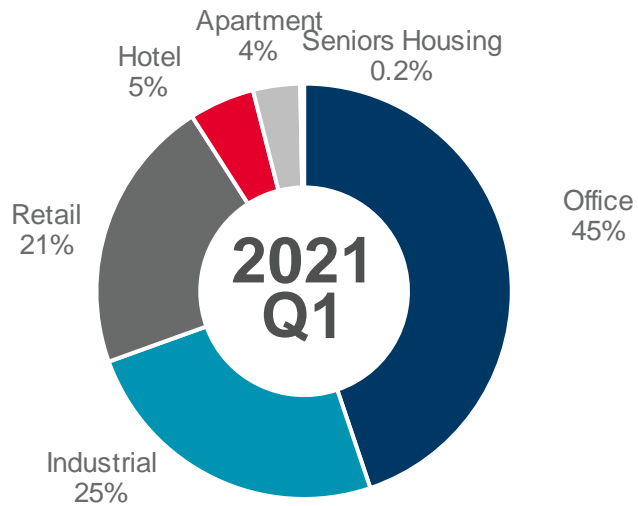


\*refers to 12 months ending March 2021, y-o-y growth rate.

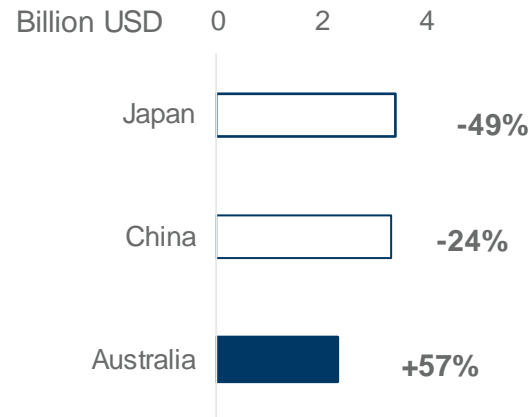
Source: Real Capital Analytics Feb 9<sup>th</sup>, 2021  
Based on deals over 100 million USD, excluding land or development sites.

# MOST LIQUID MARKETS IN ASIA PACIFIC

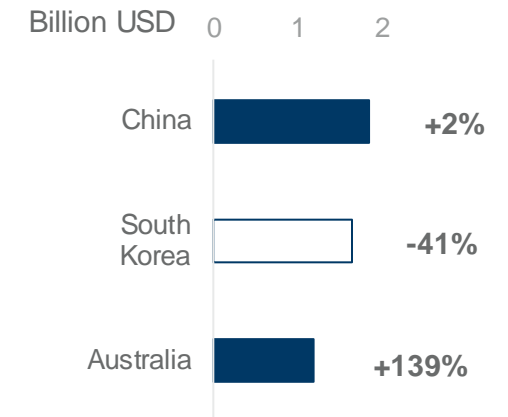
Increasing investment in industrial and retail asset



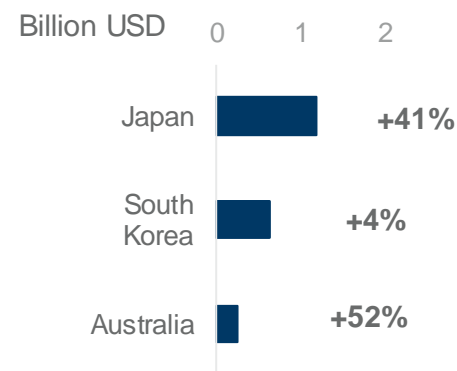
## OFFICE



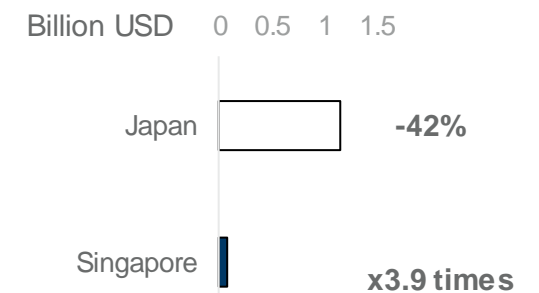
## RETAIL



## LOGISTICS



## MULTIFAMILY

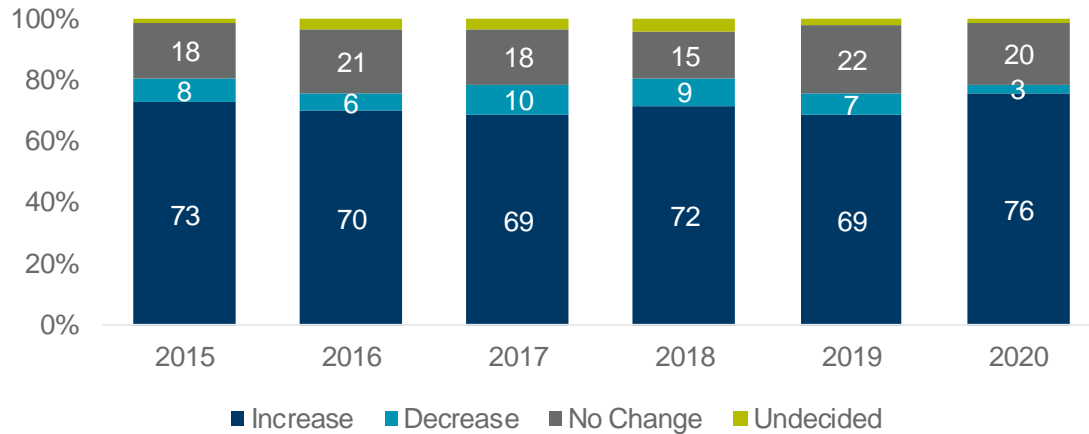




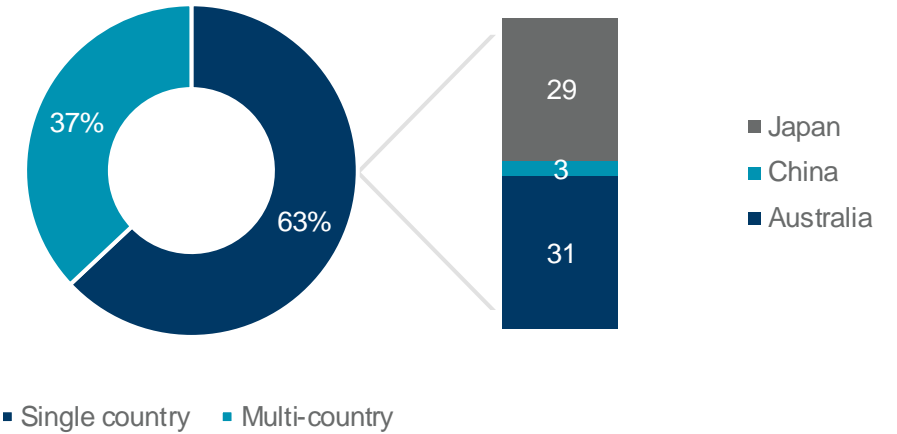
# STRONG PREFERENCE FOR CORE AND INDUSTRIAL ASSET

ANREV Capital Raising Survey 2021

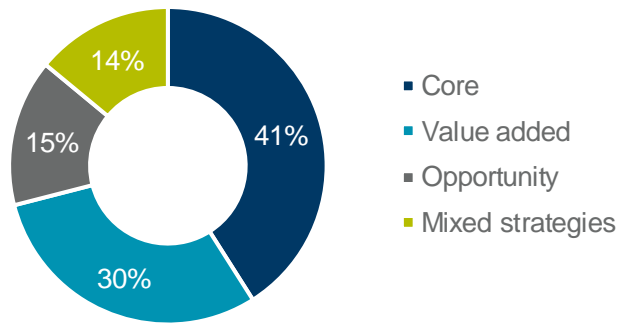
## Expectations for capital raising activity over the next two years (Global)



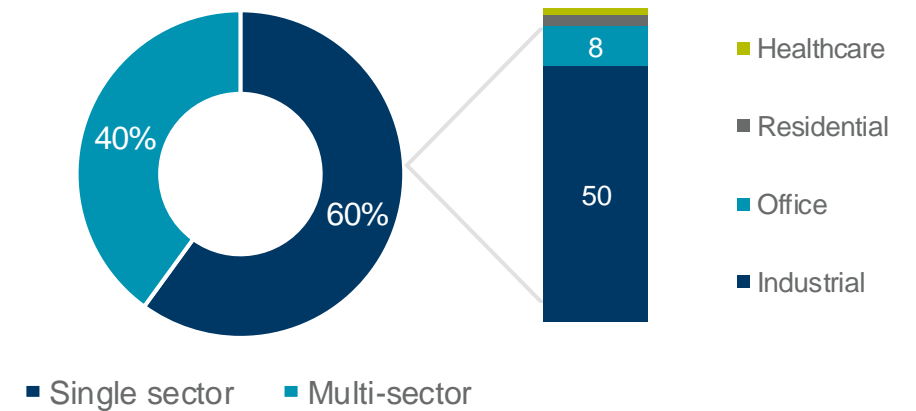
## Capital raised for APAC non-listed real estate funds by country strategy



## Capital raised for APAC non-listed vehicles by investment style



## Capital raised for APAC non-listed real estate funds by sector strategy





# AUSTRALIAN CRE MARKET OVERVIEW

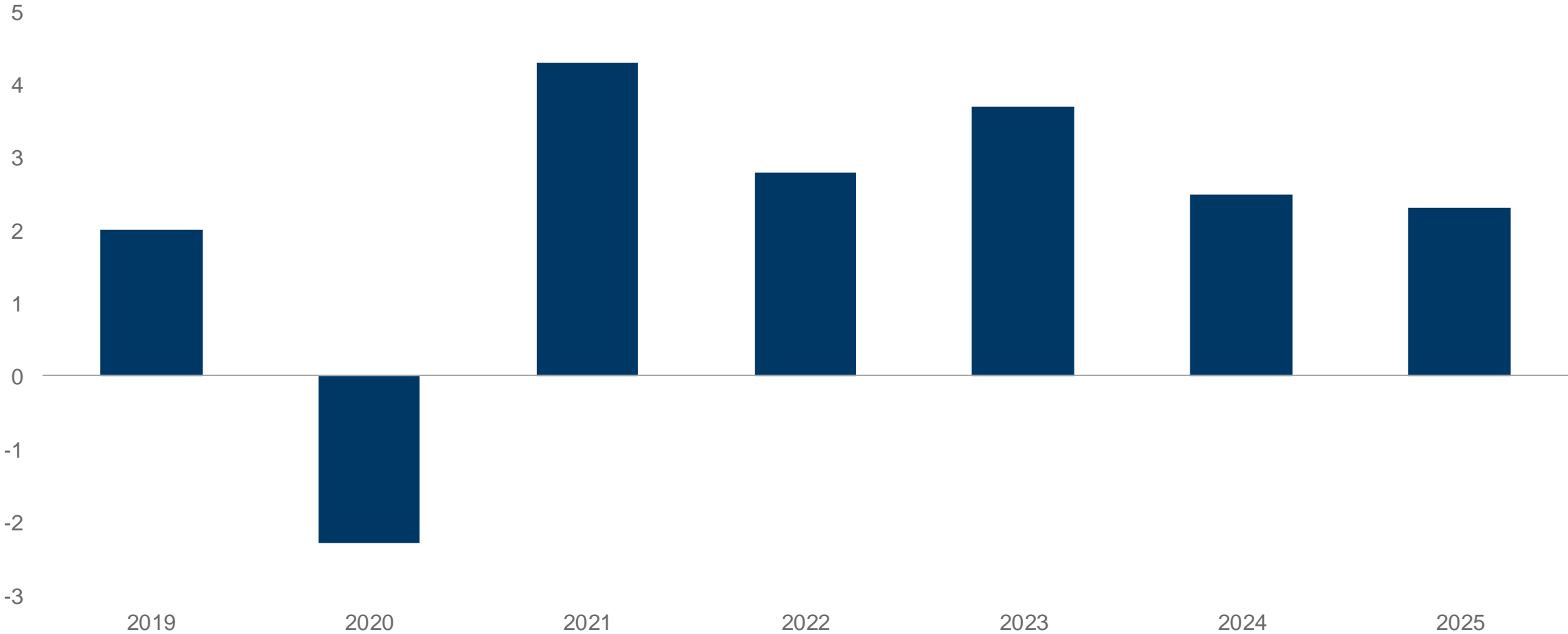
2021 MAY



# AUSTRALIAN ECONOMIC GROWTH

Growth is bouncing in the short term, real GDP annual growth forecasts

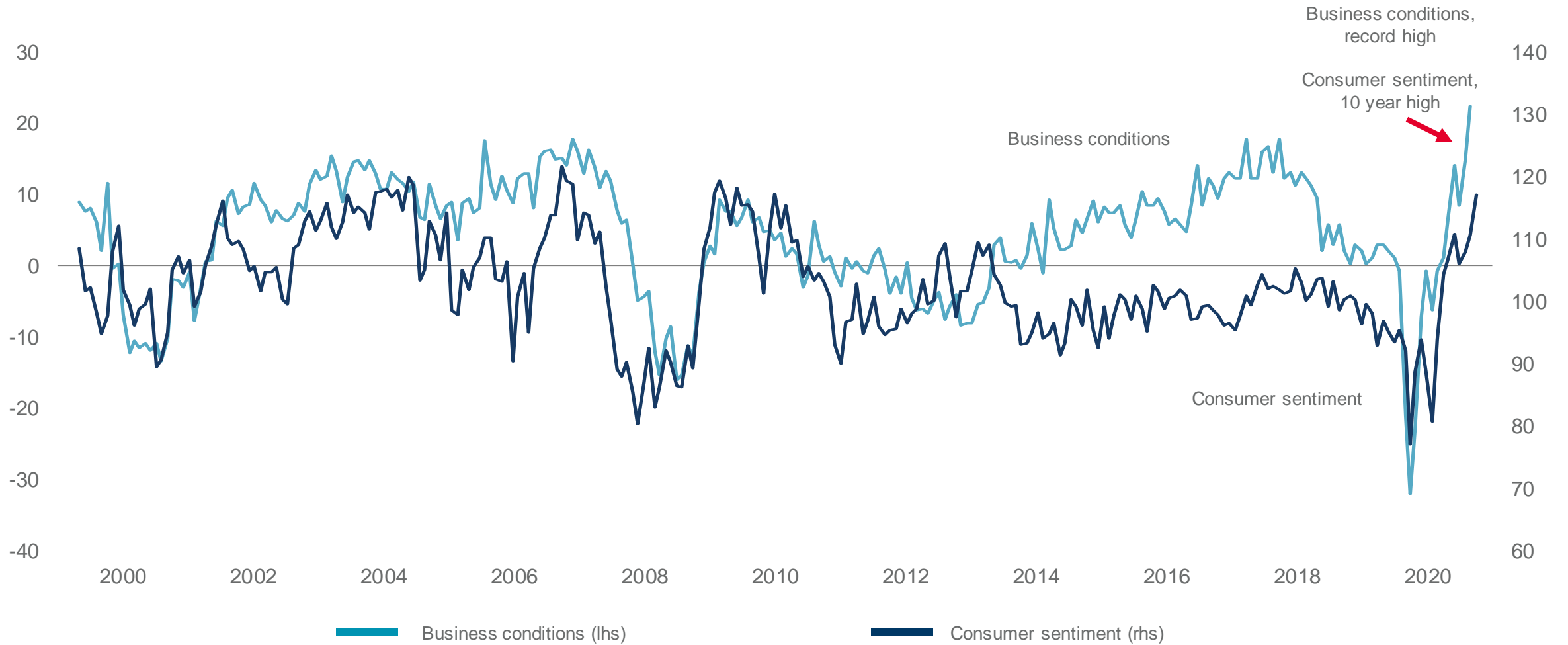
GDP GROWTH, Y/Y %





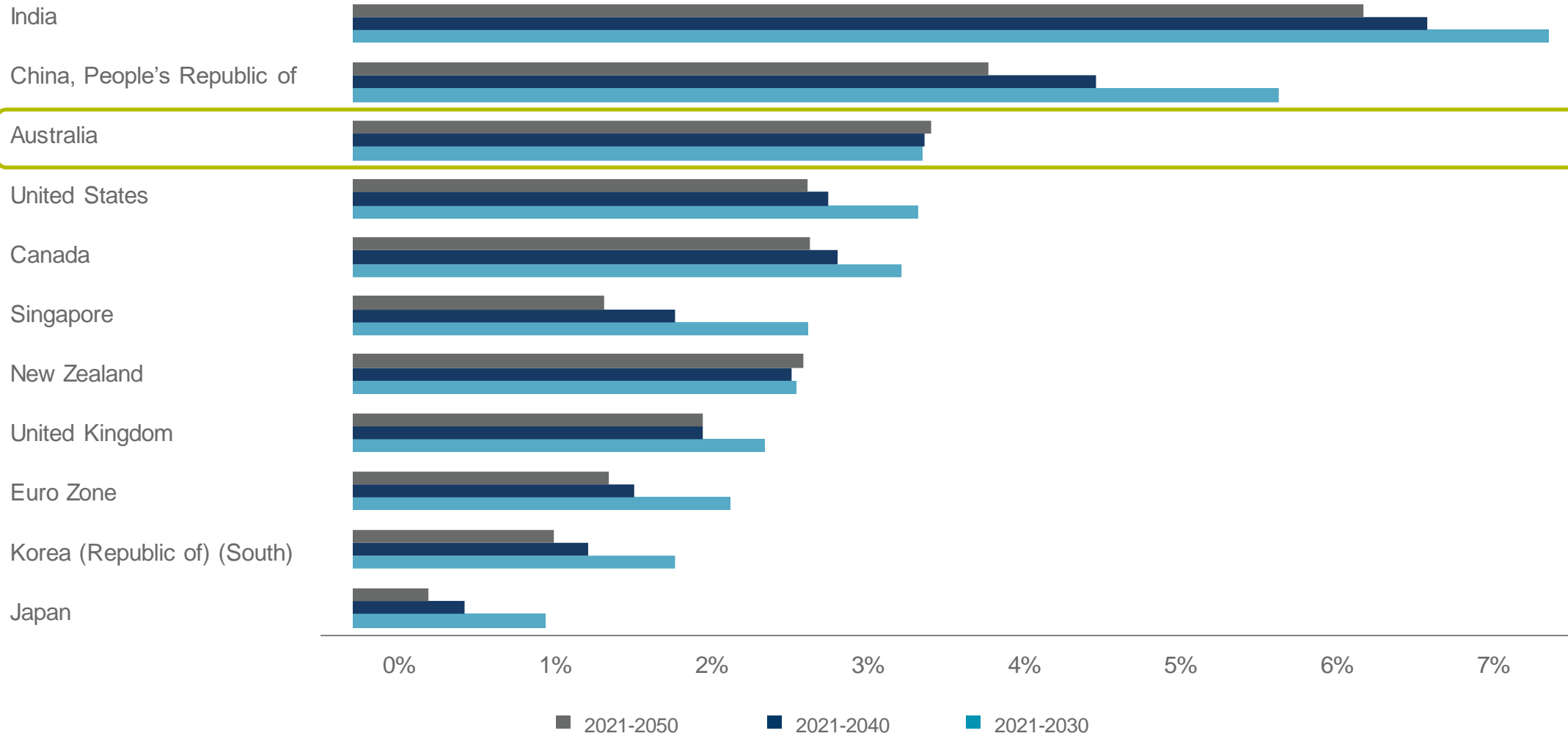
# SENTIMENT REBOUNDS

Business conditions and consumer sentiment



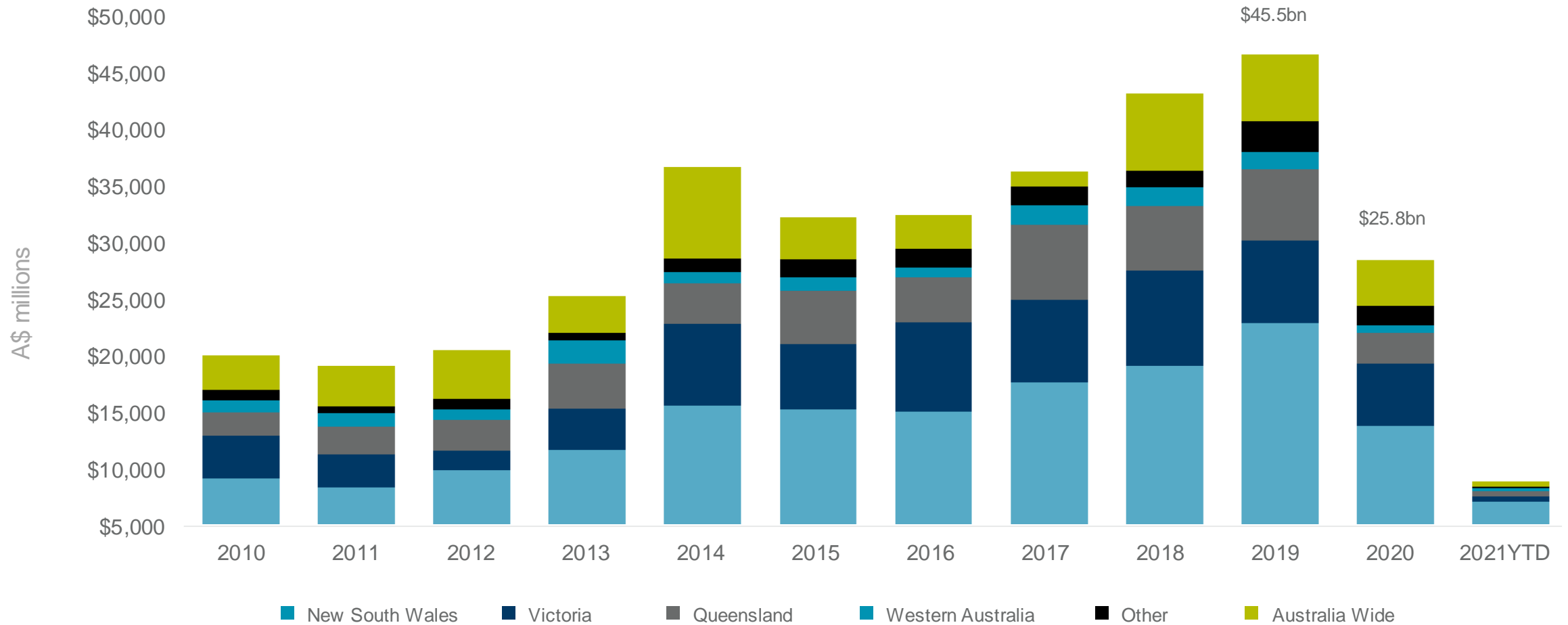
# ECONOMIC GROWTH OUTLOOK

The long-term outlook is also solid, Annual average real growth



# CRE TRANSACTION VOLUMES

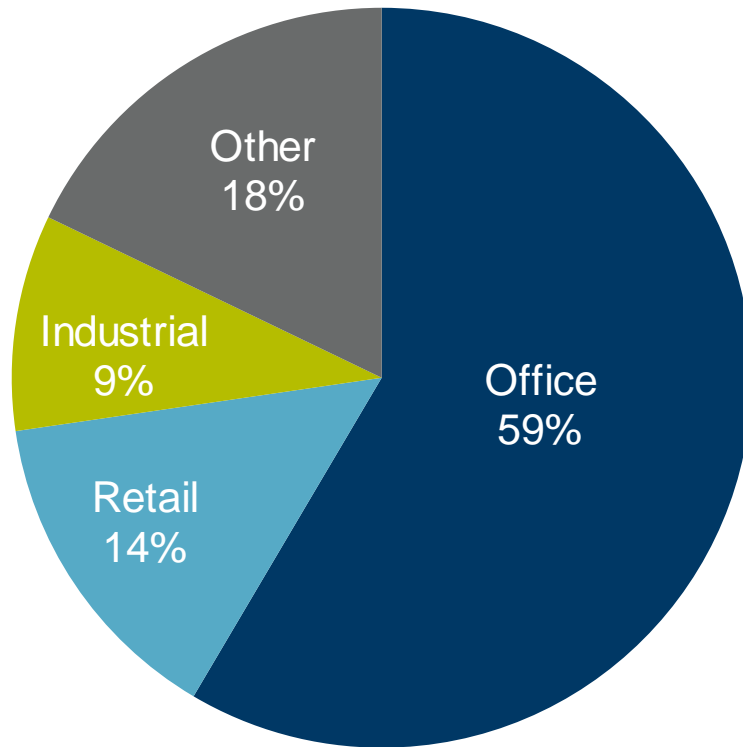
Total real estate purchasing activity



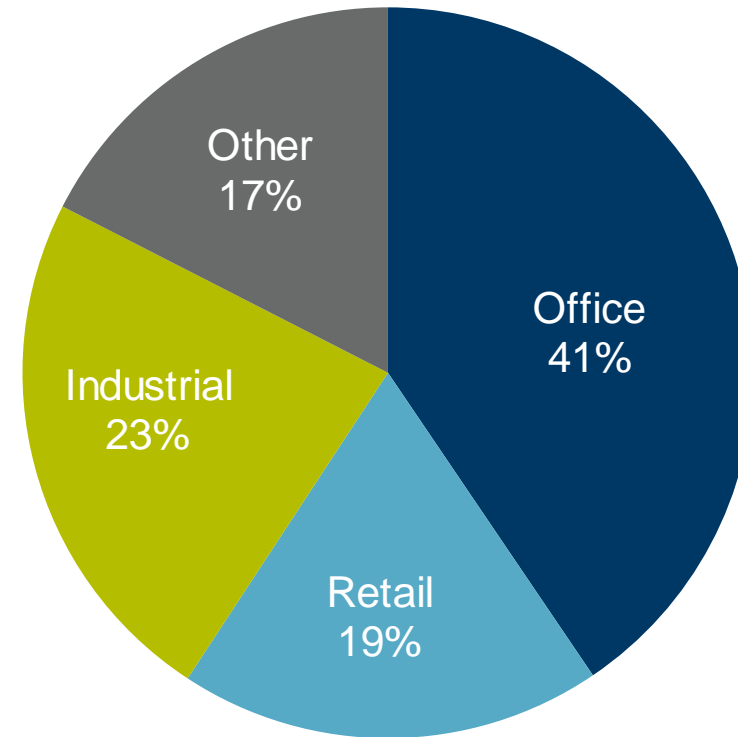


# CRE TRANSACTION VOLUMES

Total real estate purchasing activity



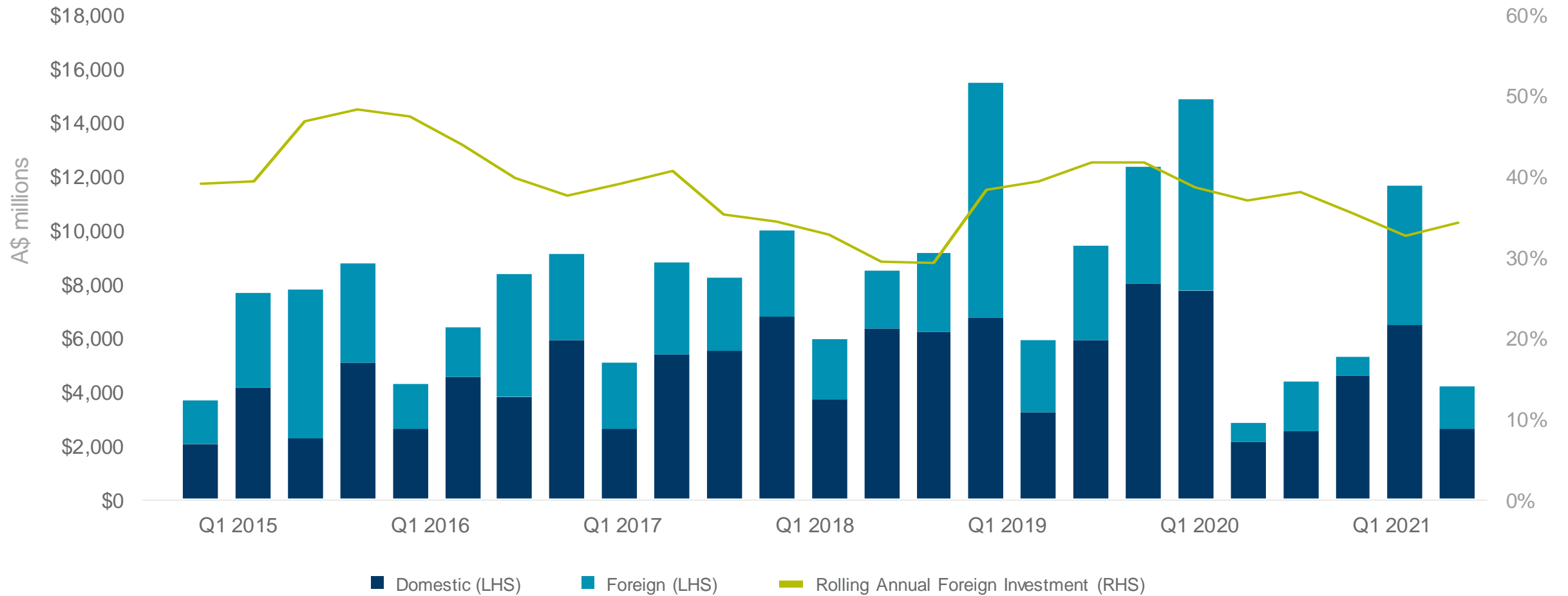
Q1 2021



Annual Volume

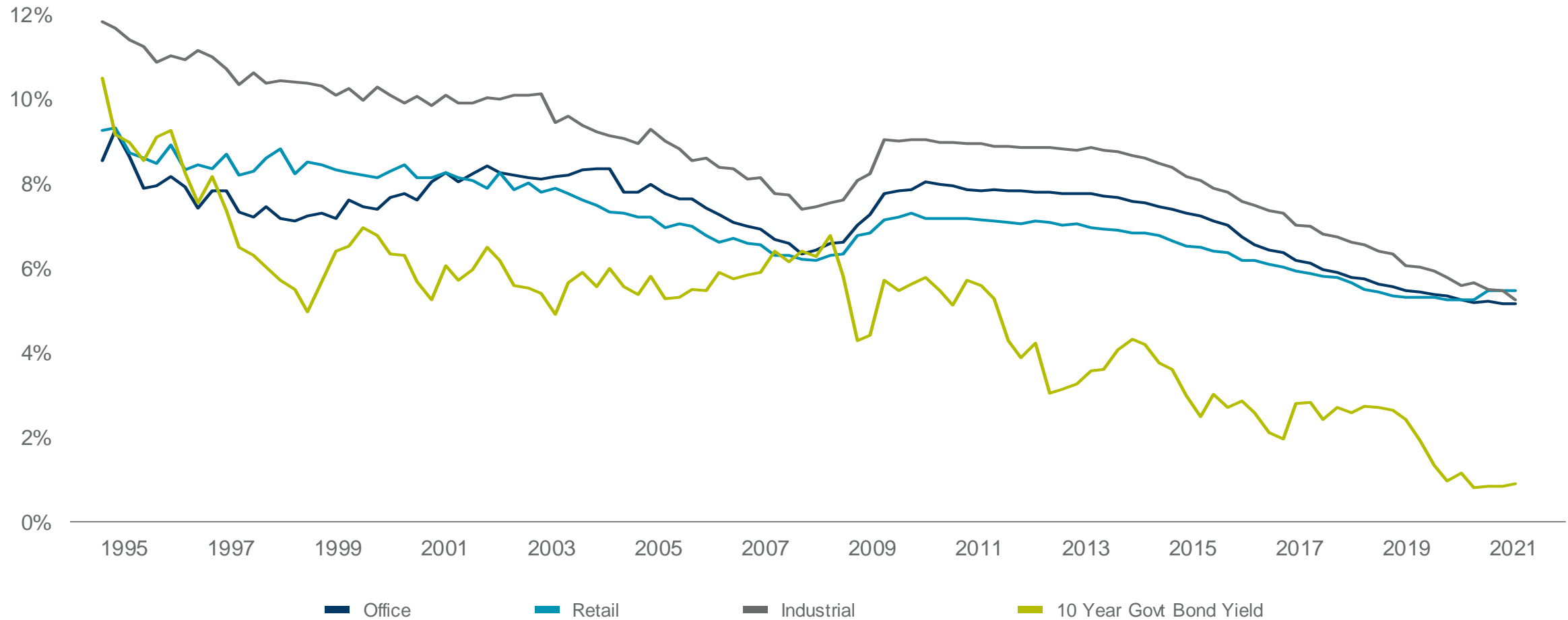
# CRE TRANSACTION VOLUMES

Quarterly investment volumes



# COMMERCIAL PROPERTY INCOME RETURN TREND

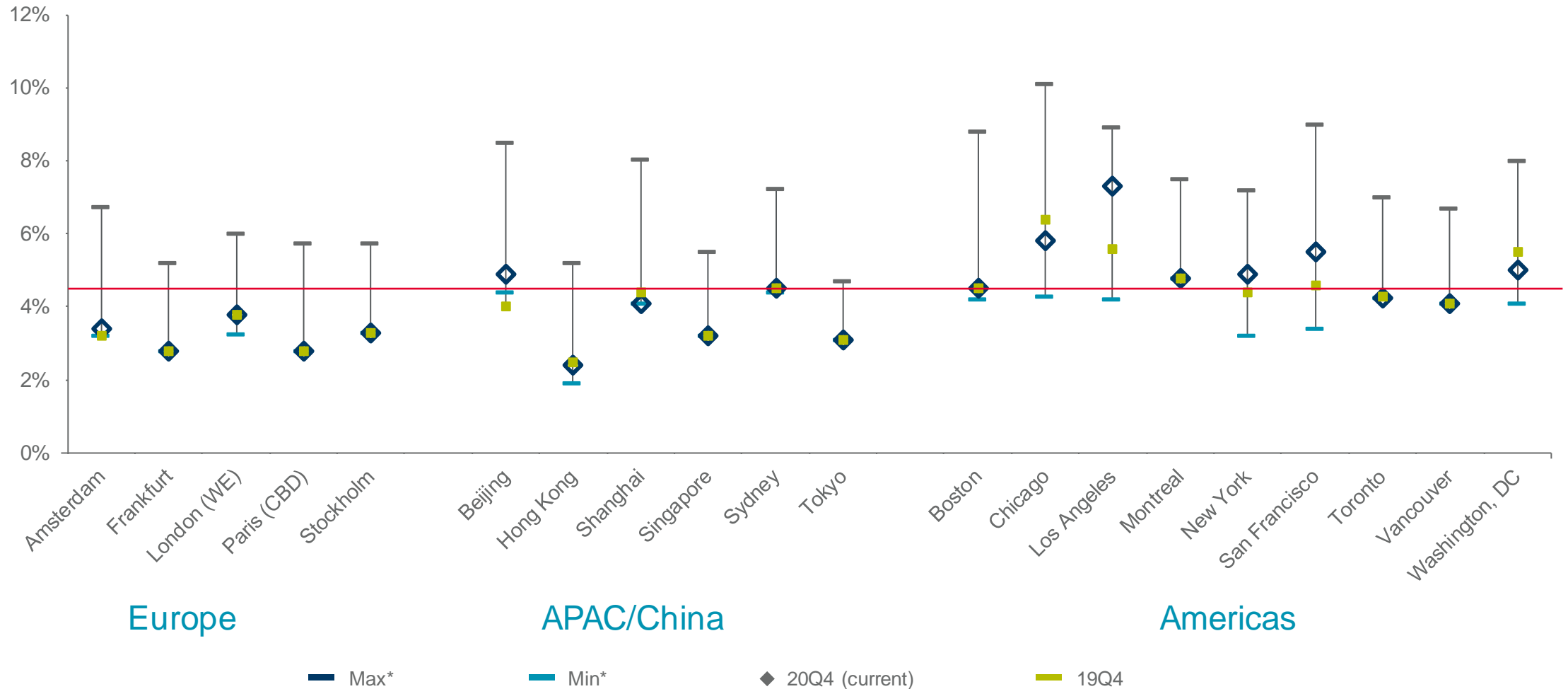
Office, retail & industrial income returns and 10 year government bond yields





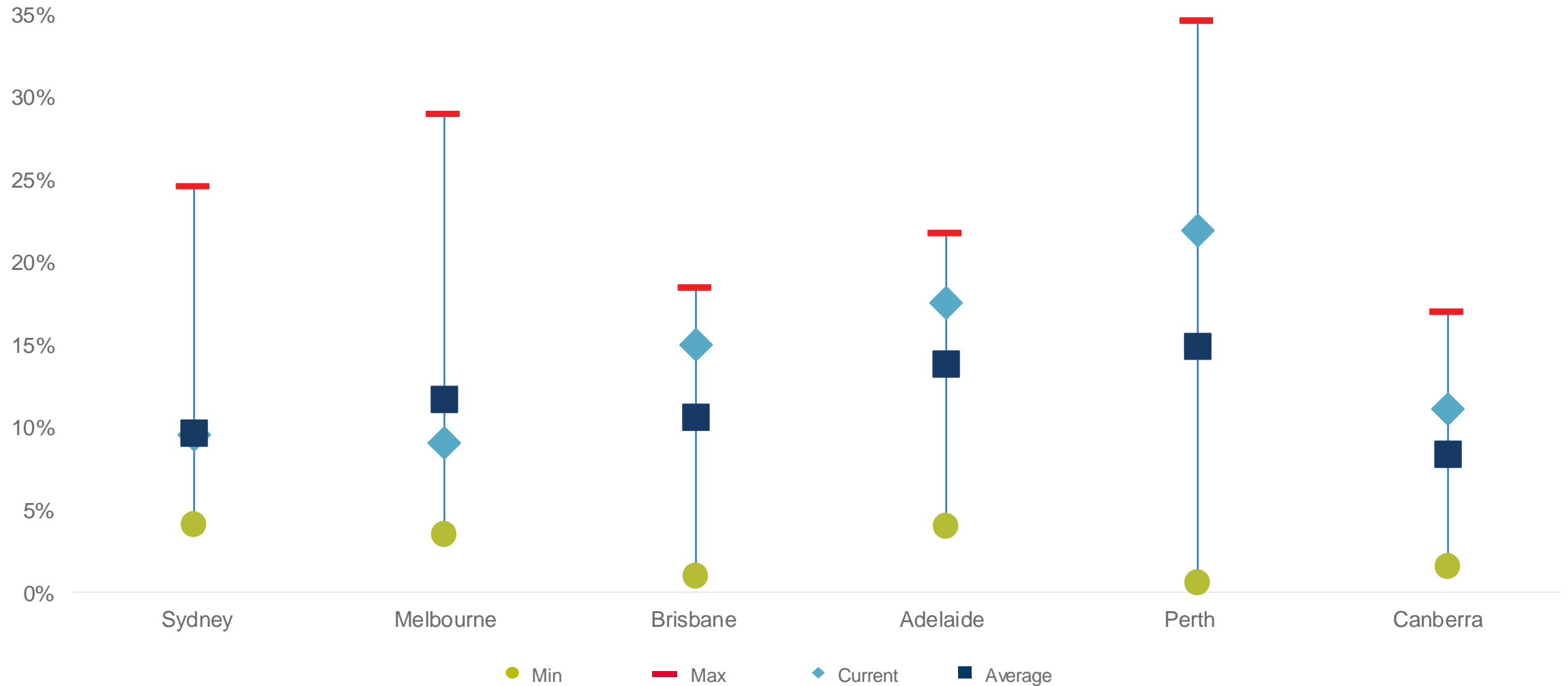
# GLOBAL YIELDS

## Prime Office Cap Rates (%)




# CBD OFFICE VACANCY

Vacancy moved higher in 2020, vacancy range since 1990



# CBD OFFICE MARKET SUMMARY

Office markets have softened over 2020



## Sydney

-113,346 sqm 12m Net Absorption  
8.6% Vacancy  
\$910 sqm Gross Effective Rent  
33% Gross Incentive



## Melbourne

22,397 sqm 12m Net Absorption  
8.2% Vacancy  
\$395 Net Effective Rent  
39% Net Incentive



## Brisbane

-9,807 sqm 12m Net Absorption  
13.6% Vacancy  
\$445 sqm Gross Effective Rent  
41% Gross Incentive



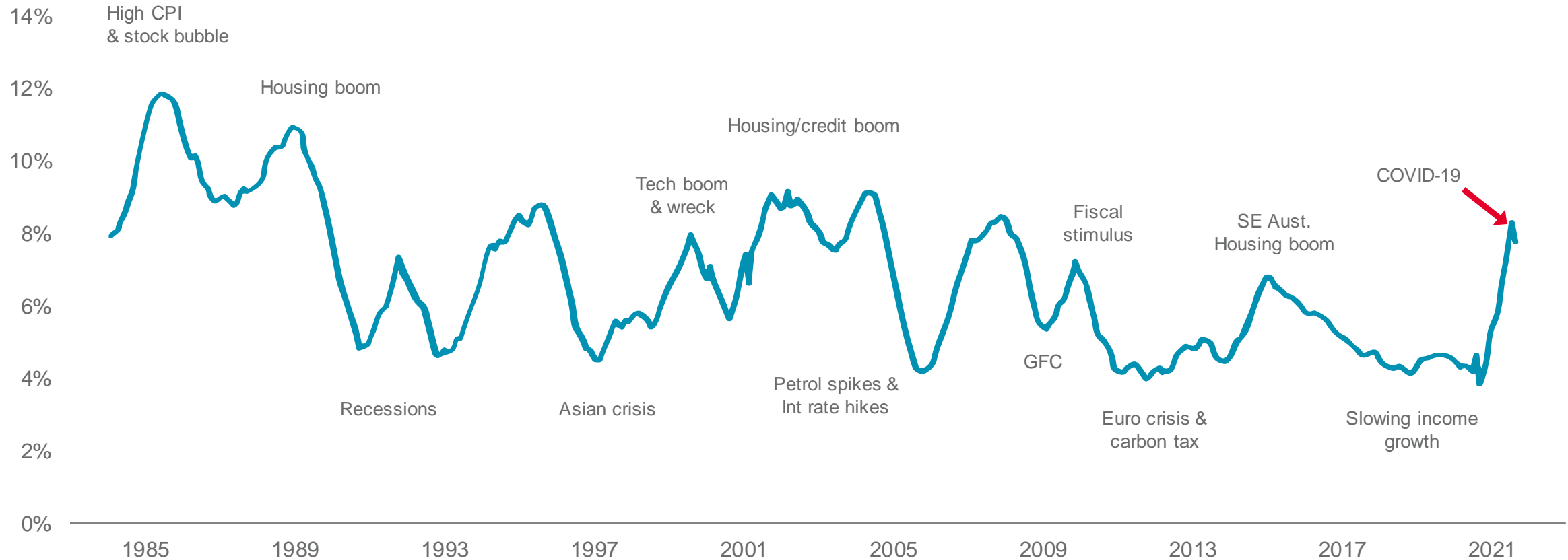
## Perth

-45,098 sqm 12m Net Absorption  
20.0% Vacancy  
~\$300 sqm Net Effective Rent  
~50% Net Incentive



# RETAIL TURNOVER GROWTH

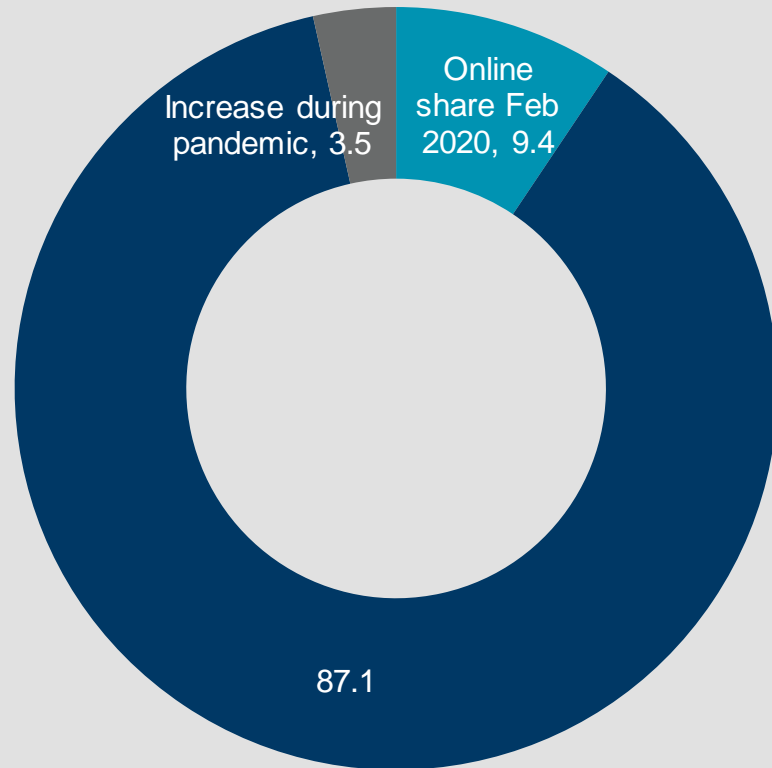
Moving annual turnover growth rate





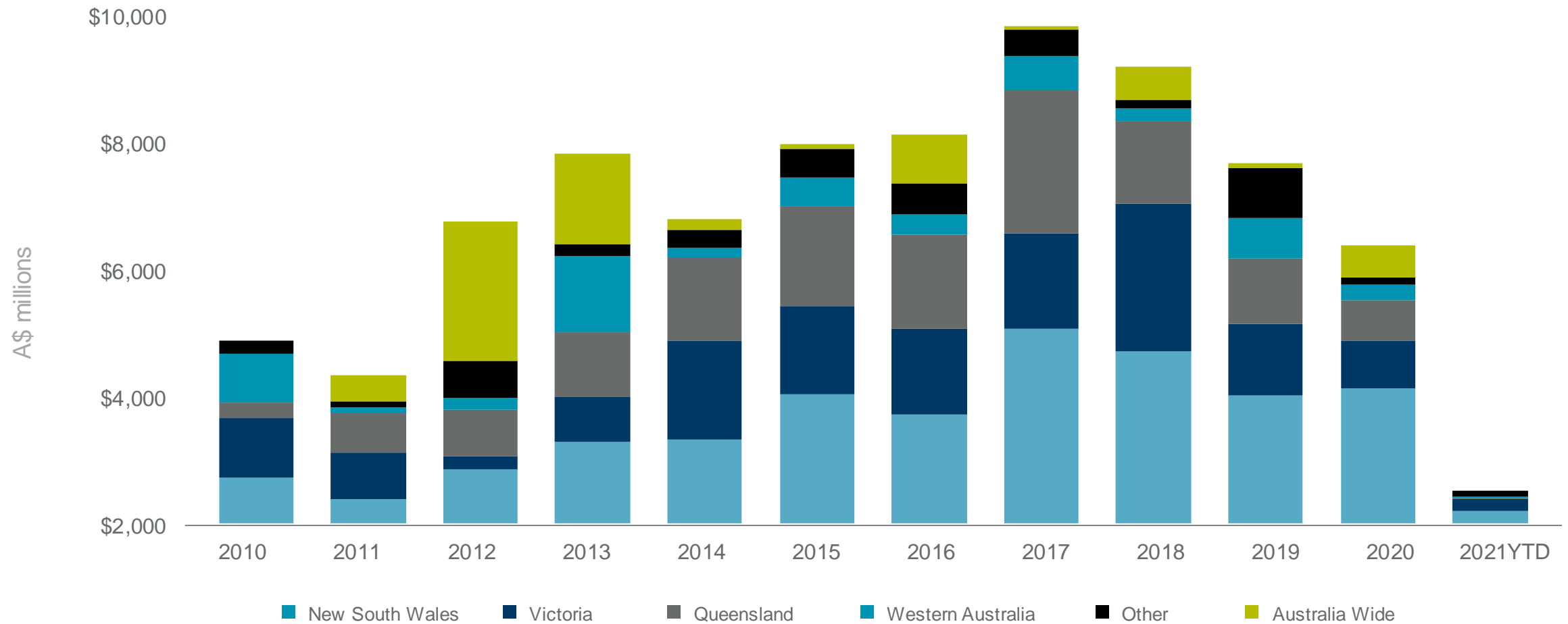
# ONLINE SALES

Online sales as a percentage of total sales



# RETAIL TRANSACTION VOLUMES

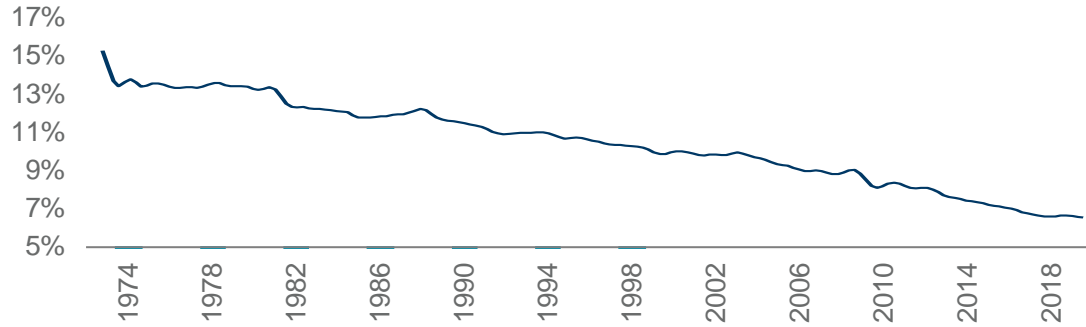
Annual investment volumes



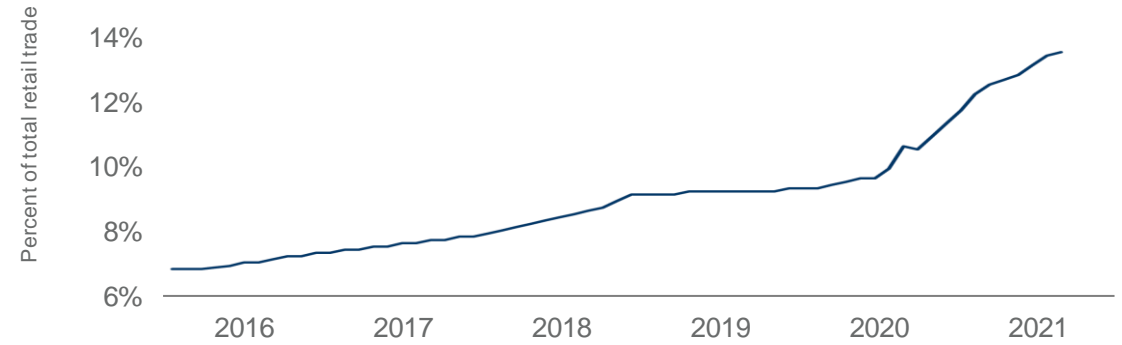


### 1. DECLINE OF MANUFACTURING

MANUFACTURING SHARE OF ECONOMIC OUTPUT



### 2. RISE OF E-COMMERCE & TECHNOLOGY

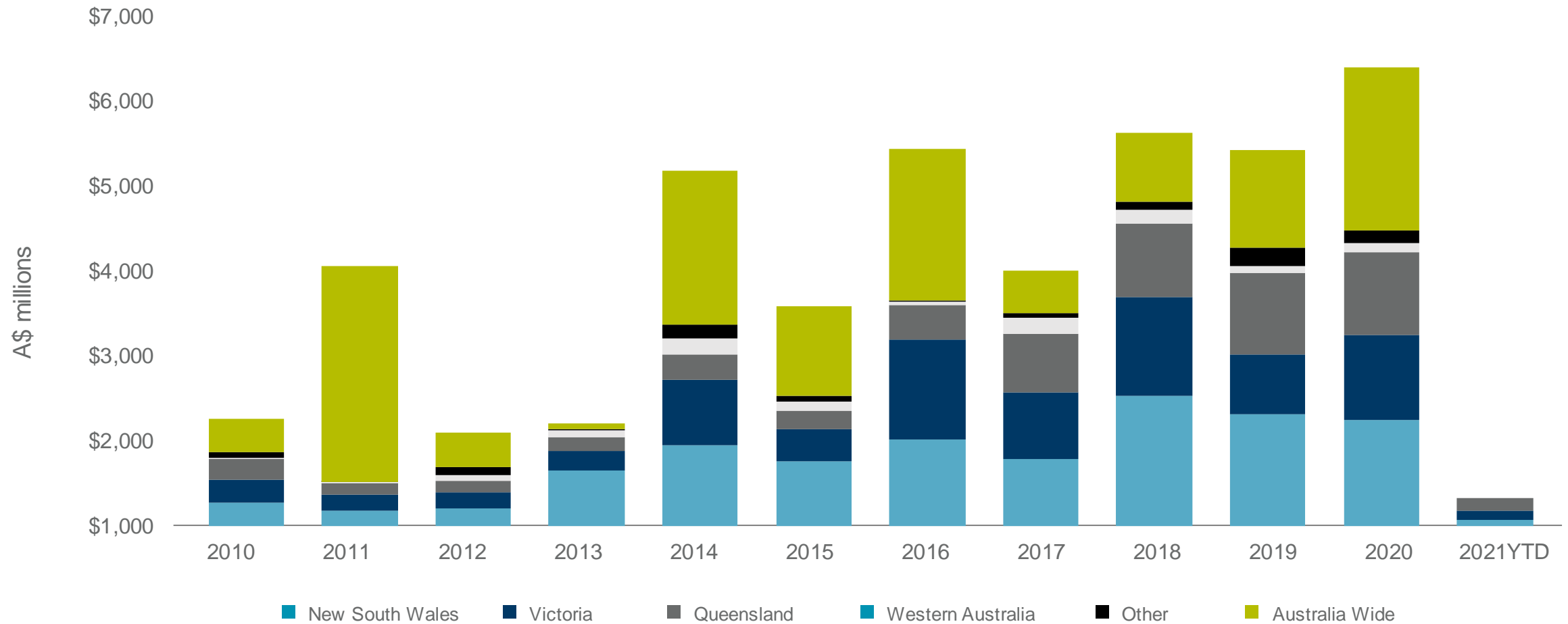


### 3. SUBURBAN INFILL: E.G. SOUTH SYDNEY: 2009 TO 2019 – INDUSTRIAL TO APARTMENTS



# INDUSTRIAL TRANSACTION VOLUMES

Annual investment volumes





01 Economy – bouncing strongly, COVID risks

02 Investment – supported by economy and low interest rates

03 Office – suffered in 2020, resetting in 2021

04 Retail – adapting to structural change

05 Industrial – structural tailwinds, strong demand



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**Q&A**

*Please click on the Q&A icon on the top right hand corner of your window to submit your questions.*







# THANK YOU

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