

EASTERN SEABOARD INDUSTRIAL VACANCY STUDY

Q4 2018

MELBOURNE

Vacancy now

2.5%

6 months ago

2.9%

SYDNEY

Vacancy now

1.8%

6 months ago

1.9%

BRISBANE

Vacancy now

3.2%

6 months ago

3.0%

VACANCY RATES

Urbis' Industrial Vacancy Study gives essential insights to major industrial owners and occupiers.

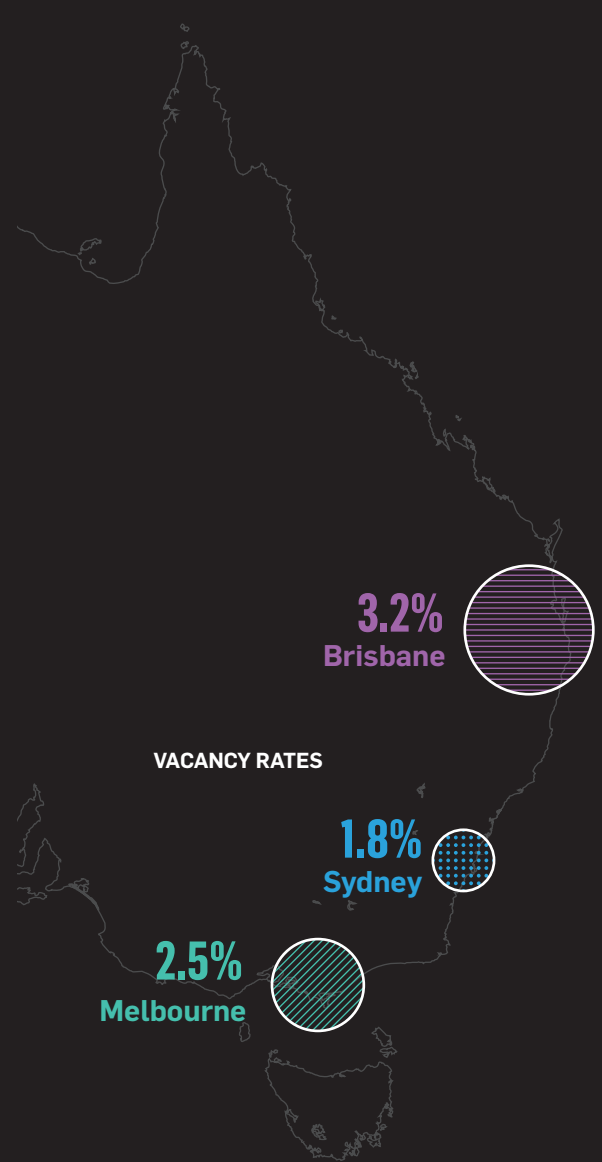
This report provides the current industrial vacancy rate for buildings over 10,000m² across the three capital cities on the Eastern Seaboard.

Overall, we're seeing very low vacancy rates – at 1.8% in Sydney, 2.5% in Melbourne and 3.2% in Brisbane.

The volume of speculative development delivered over the past 12 months or so in Melbourne & Brisbane has slowed considerably helping their vacancy levels whilst strong Sydney demand has seen most speculative development in that geography quickly absorbed. With low vacancy levels in all geographies we expect to see the next wave of speculative development get rolled out, including those recently announced in Melbourne at Epping between Vaughan construction, Mirvac & Blackstone totalling 45,000m² in two buildings.

Here, we outline some of the headlines. To delve into the data further, speak to Shane Robb about accessing our new subscription based Industrial Vacancy Dashboard.

- ▶ Interactive dashboard – access the data on tap, where you want, when you want.
- ▶ Slice the data in multiple scenarios, by geography, grade or size.
- ▶ See all vacant stock.



| | Stock Evaluated | Highest Vacancy Sub-Market | Average Size of Vacancy | Prime/Modern Vacancy Rate | Secondary/Tertiary Vacancy Rate |
|-----------|-----------------|----------------------------|-------------------------|---------------------------|---------------------------------|
| Melbourne | 15,500,000 | East (3.6%) | 16,000 | 3.2% | 1.6% |
| Sydney | 10,900,000 | South West (2.5%) | 13,400 | 1.8% | 1.9% |
| Brisbane | 6,600,000 | ATC (5.9%) | 14,000 | 3.9% | 2.3% |

INTERPRETING THE ANALYSIS

Our study has targeted buildings of 10,000m² or greater in Melbourne, Sydney and Brisbane. In total our analysis covers over 1,650 buildings and 33,000,000m² of industrial floor space.

Quality gradings have been applied to all buildings summarised as follows:

Prime – Buildings no older than ten years which suit a diverse range of occupiers. A minimum 8.5 metre internal clearance and extensive truck marshalling and hardstand areas.

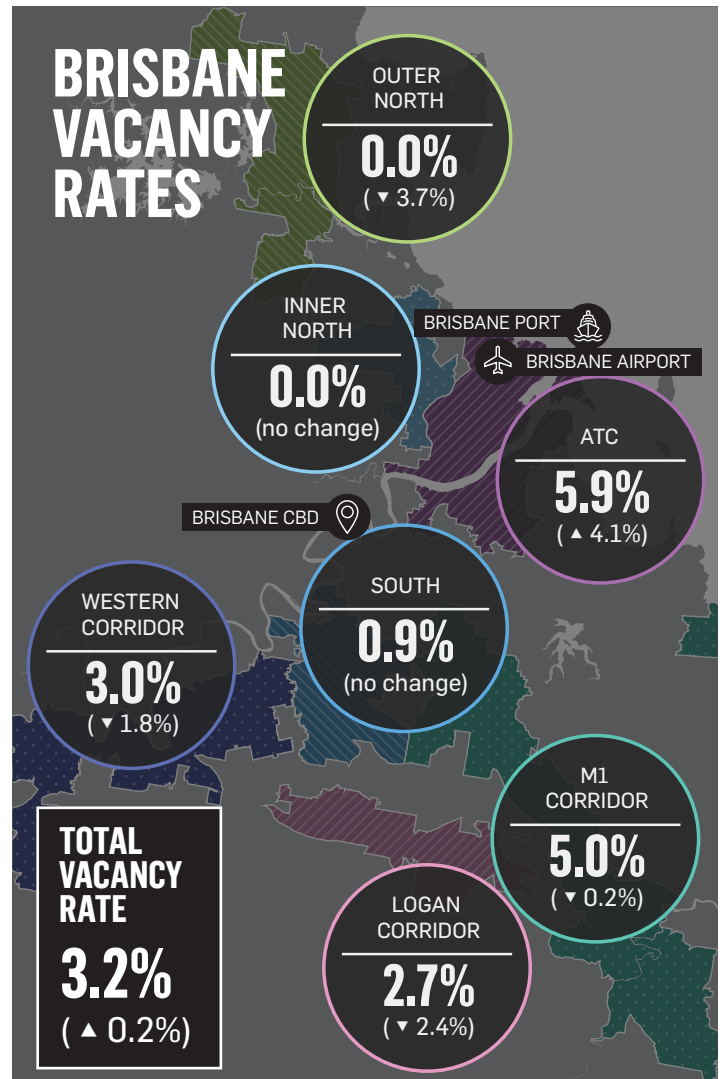
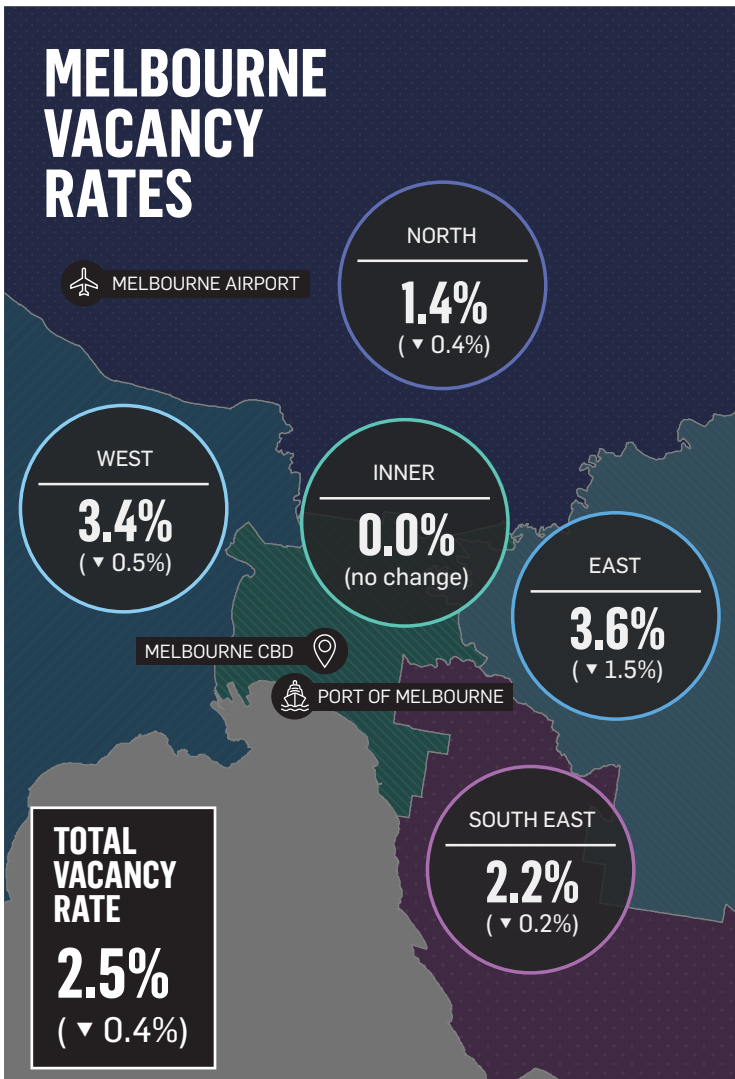
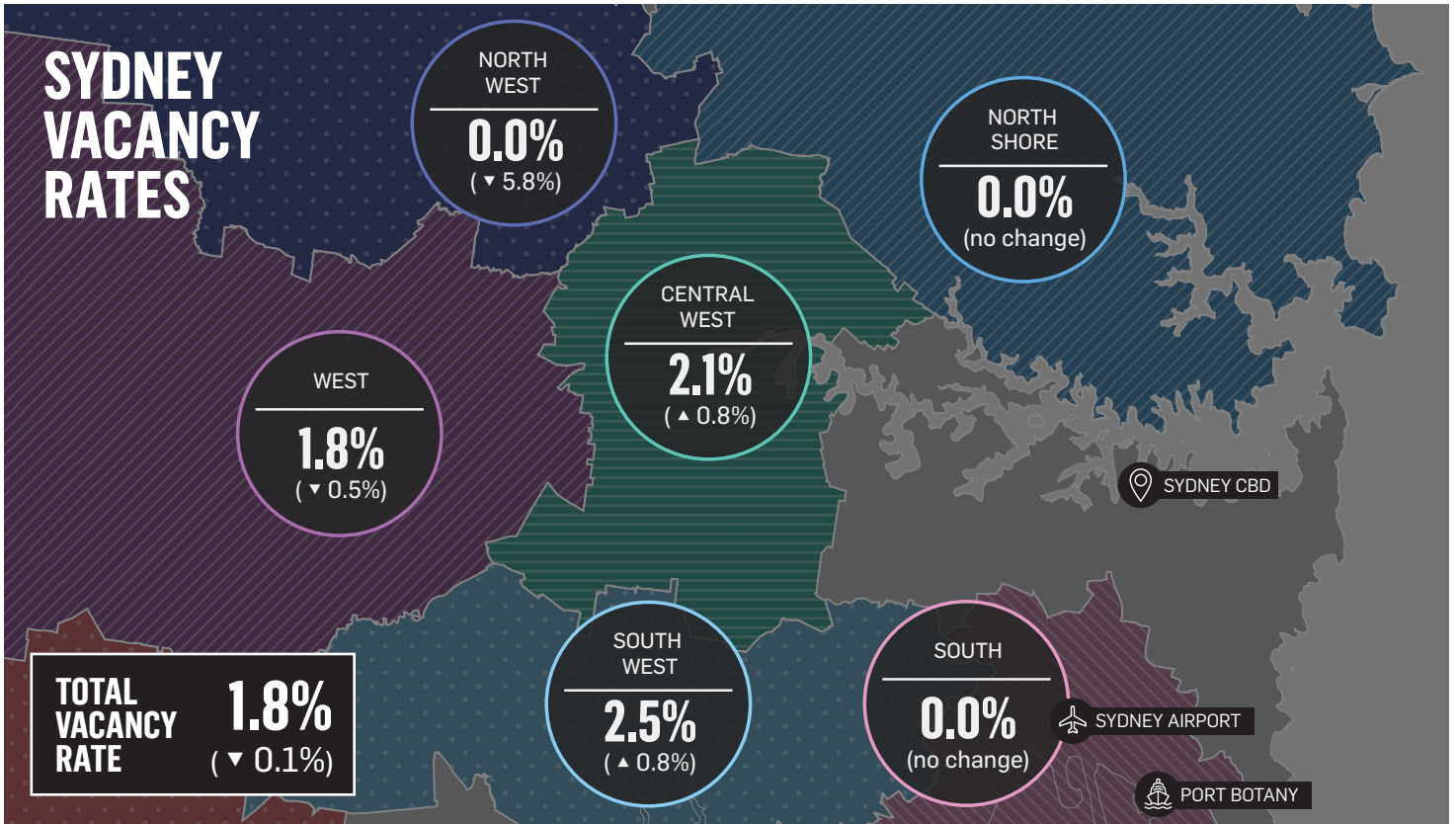
Modern – Buildings between 10 and 20 years old, generally providing in excess of 7 metre internal clearance.

Secondary – Buildings between 20 and 35 years old, generally providing a minimum 6 metre internal clearance.

Tertiary – Buildings over 35 years old, most of which are unlikely to have many alternate users, other than discount short-term storage, upon vacation by the current occupier.

Included as vacant buildings, beyond those physically vacant, are buildings under construction and to reach practical completion within three months in addition to those currently occupied on a monthly tenancy or those where the current occupier is known to be relocating to alternate premises within the next three months.

Excluded from the study are buildings within the various sea Ports (e.g. Port of Melbourne, Botany and Brisbane) as they represent a narrow and specific (freight) industrial user group in addition to buildings outside the respective Metropolitan regions (e.g. Geelong, Warnervale, Newcastle).



*all changes are over a 6 month period



In today's dynamic and complex markets, putting a value on property involves much more than local knowledge and simple sums.

Our valuations take account of everything likely to impact the value of a property, now and in the future. Drawing on extensive experience across every sector, we look at property from more angles to give institutional and private investors, corporate clients and government more insightful analysis, more nuanced advice plus a clearer sense of value – and how to maximise it.

With consultants specialising in the industrial, residential, retail, commercial and self-storage sectors, we provide insightful analysis and accurate reporting to help minimise risk and maximise opportunities.

Contact one of our industrial specialists to find out how we can assist you. If you would like to contribute to the research, just email indvacancy@urbis.com.au.



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BRISBANE

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ABN 28 105 273 523