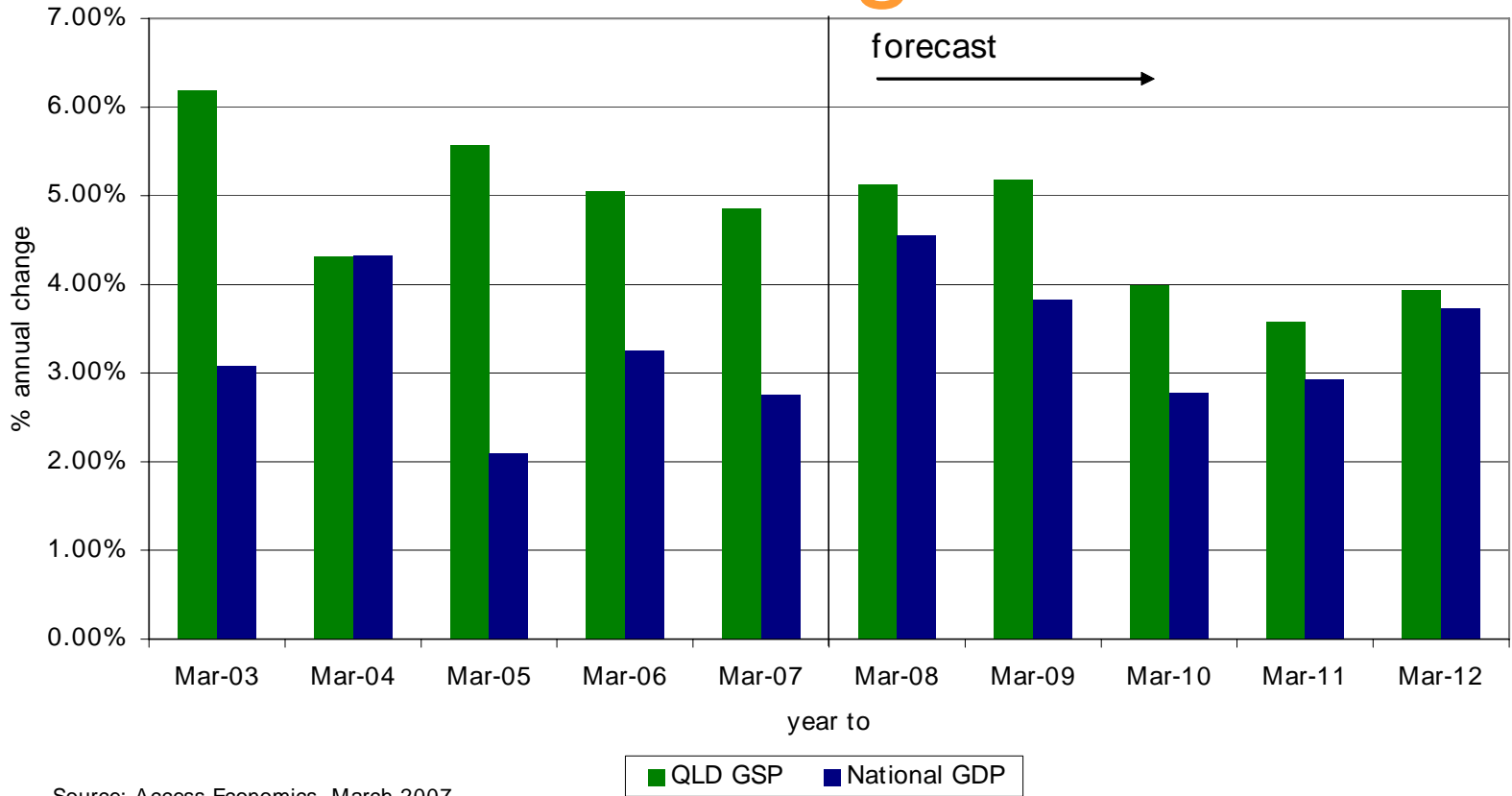


QLD economy & its impact on Commercial Property Markets

Presented by
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Chief Executive Officer
18th May, 2007



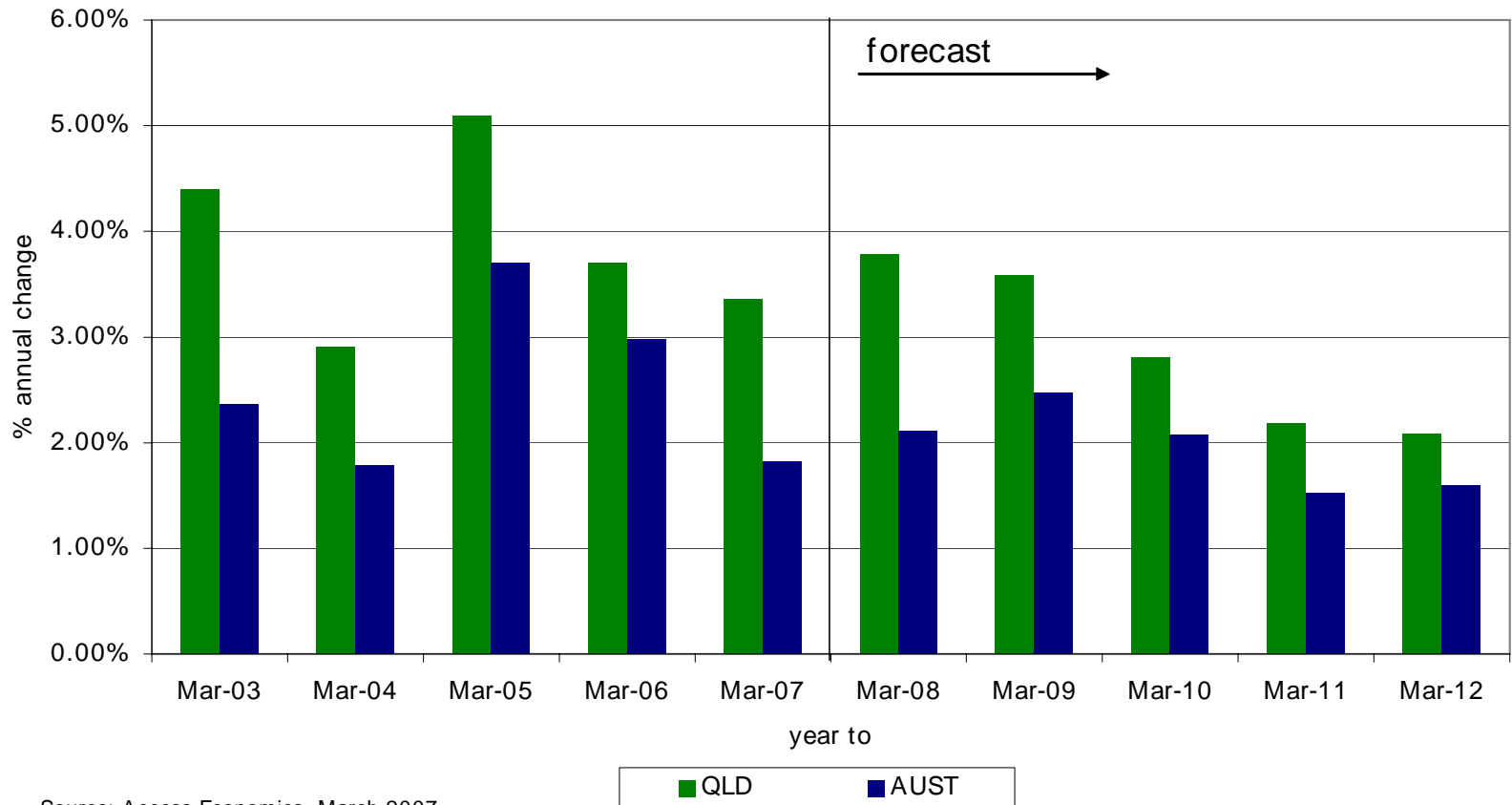
economic growth



- GDP forecast to average 3.6% over next 5 yrs;
- QLD forecast to continue to outperform at 4.4% pa due to continued mining production;
- NSW & VIC forecast average of 3.3% pa.



white collar employment growth

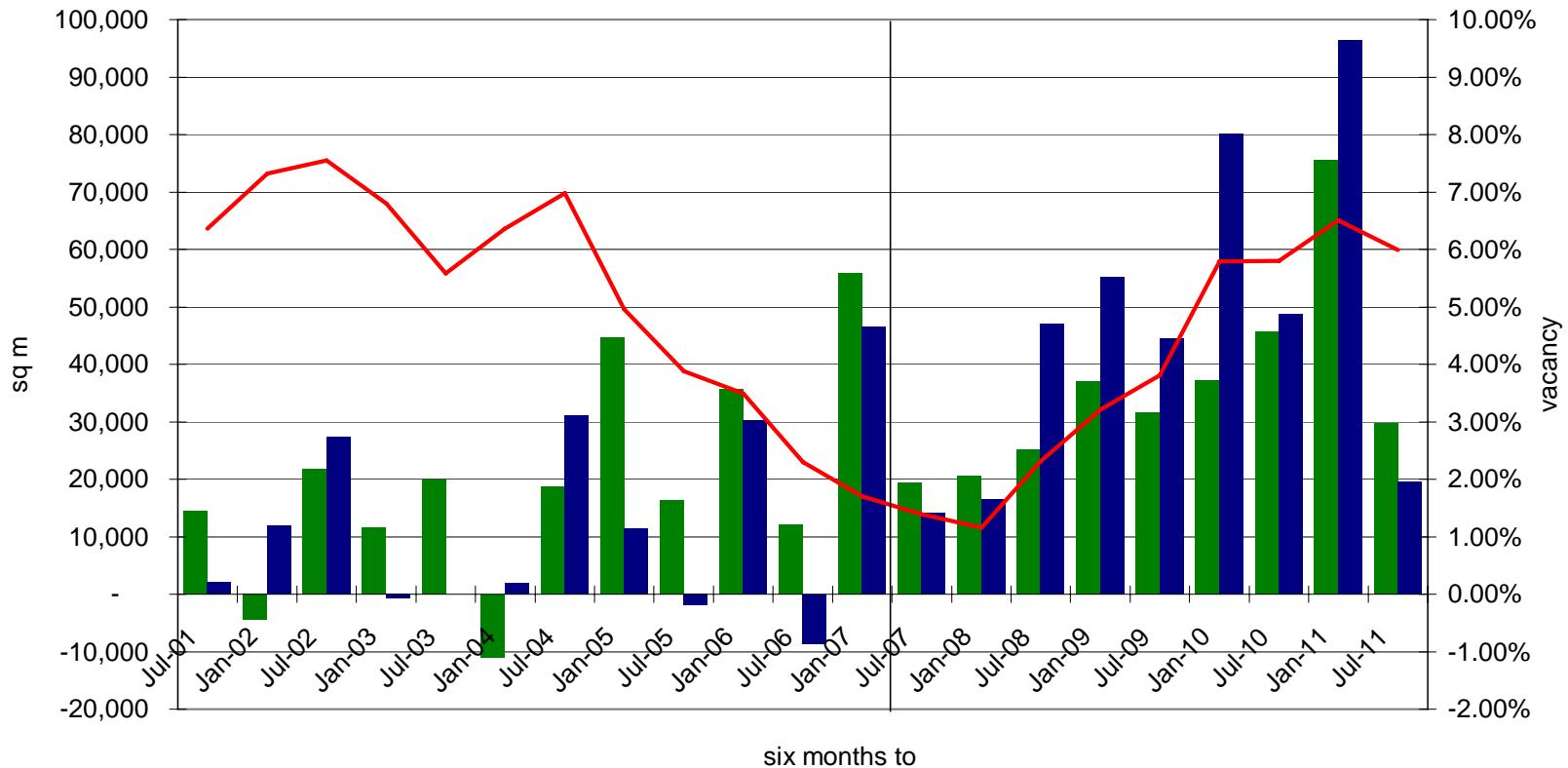


Source: Access Economics, March 2007

- **WCE to come back from the high in 2005, forecast national average 2.0% pa (2.5% historical);**
- **QLD forecast still out in front at 2.9% pa, Brisbane CBD forecast at 3.0%, Perth CBD only market outperforming at 3.2%.**



brisbane cbd office market



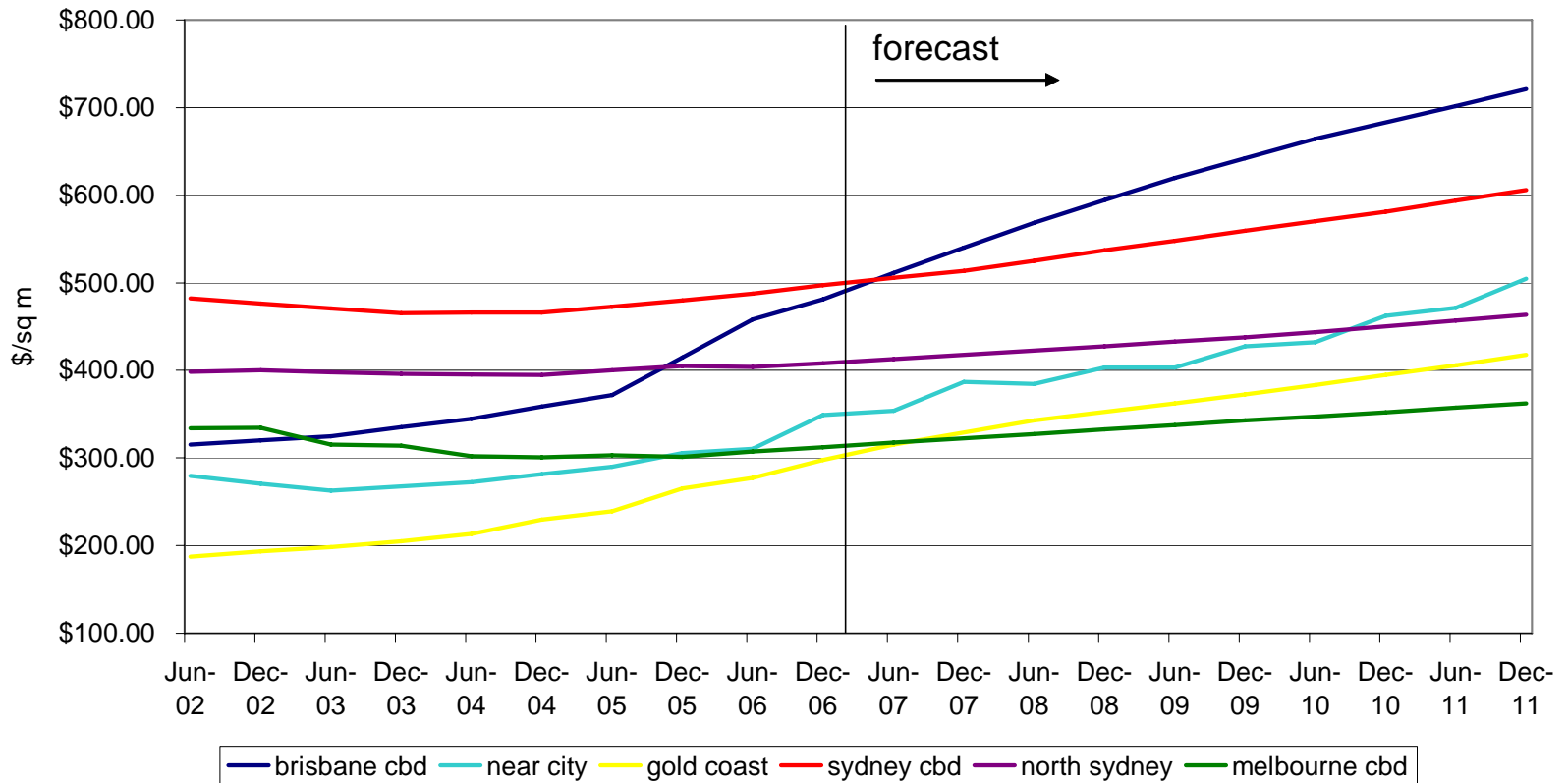
Source: Property Council of Australia & LandMark White Research

■ 6 month net absorption
 ■ net supply
 — vacancy

- **Vacancy likely to further decrease over the next 12 months before increasing inline with increased supply levels;**
- **Peak forecast in six months to Jan 2011 at 6.5%;**
- **July 2007=1.4%, Jan 2008=1.2%, July 2008=2.3%.**



prime office net rentals

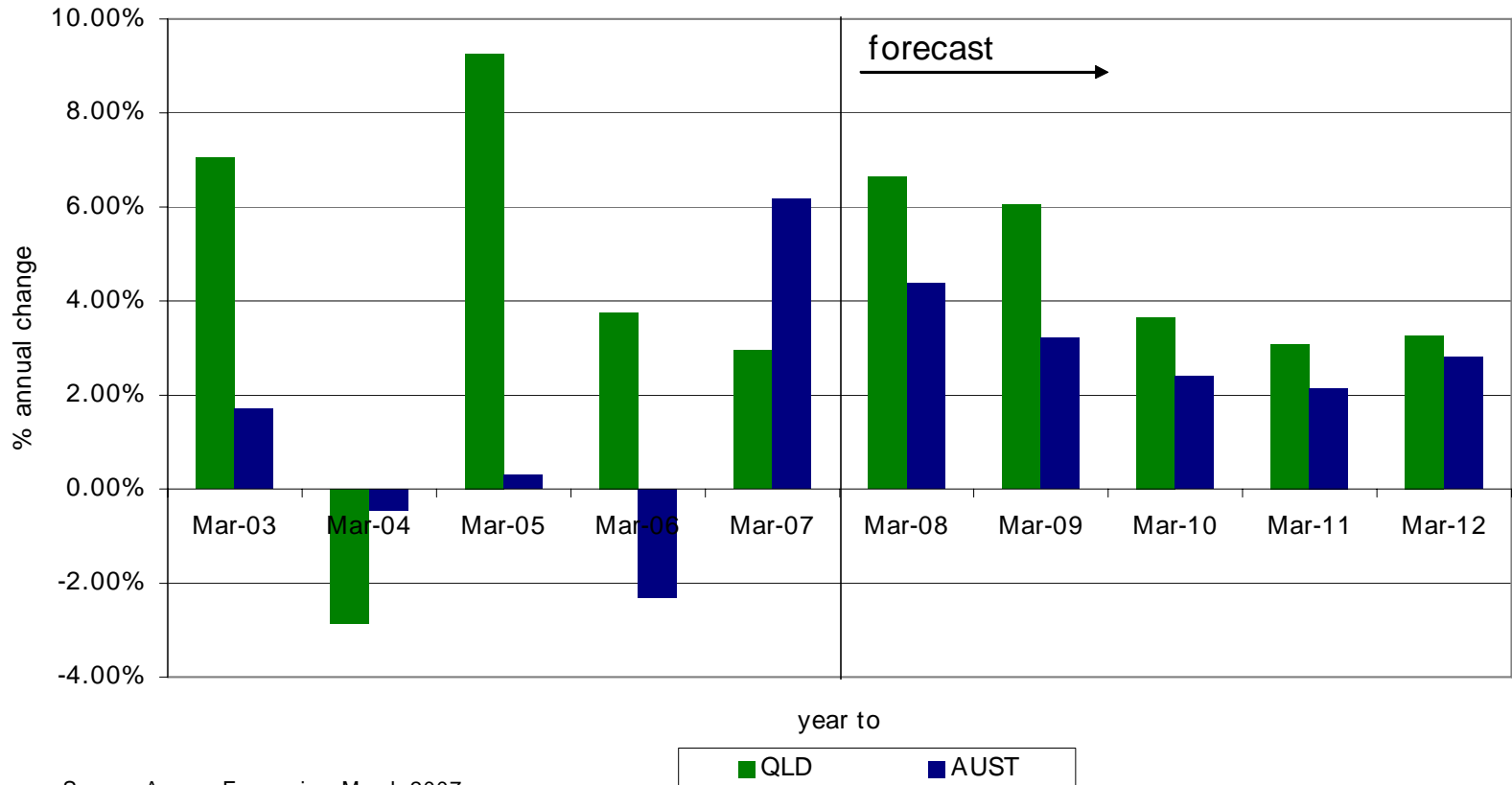


Source: LandMark White Research

- **Brisbane CBD rents likely to overtake Sydney rates next year. Historically high growth levels in all QLD market in last 5 years.**
- **Forecast (5 years), Bris CBD – 8.7% pa, Near City – 8.2% pa, Gold Coast – 7.5% pa, Sydney – 4.0% pa.**



industrial production growth

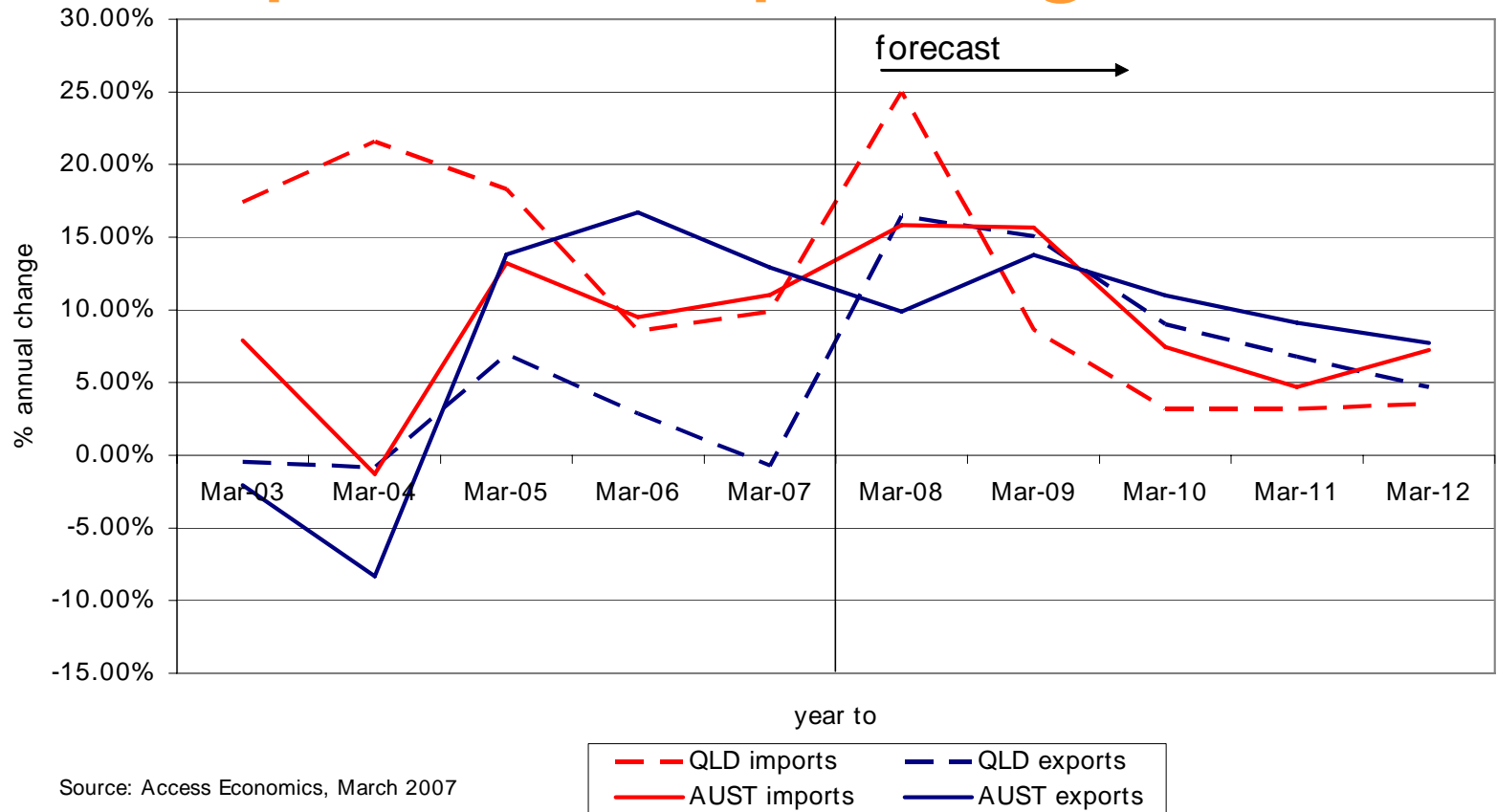


Source: Access Economics, March 2007

- Industrial production (manufacturing incl. mining) likely to continue strongly for QLD;
- Forecast growth 4.5% pa, well ahead of national growth rate of 3.0% pa.



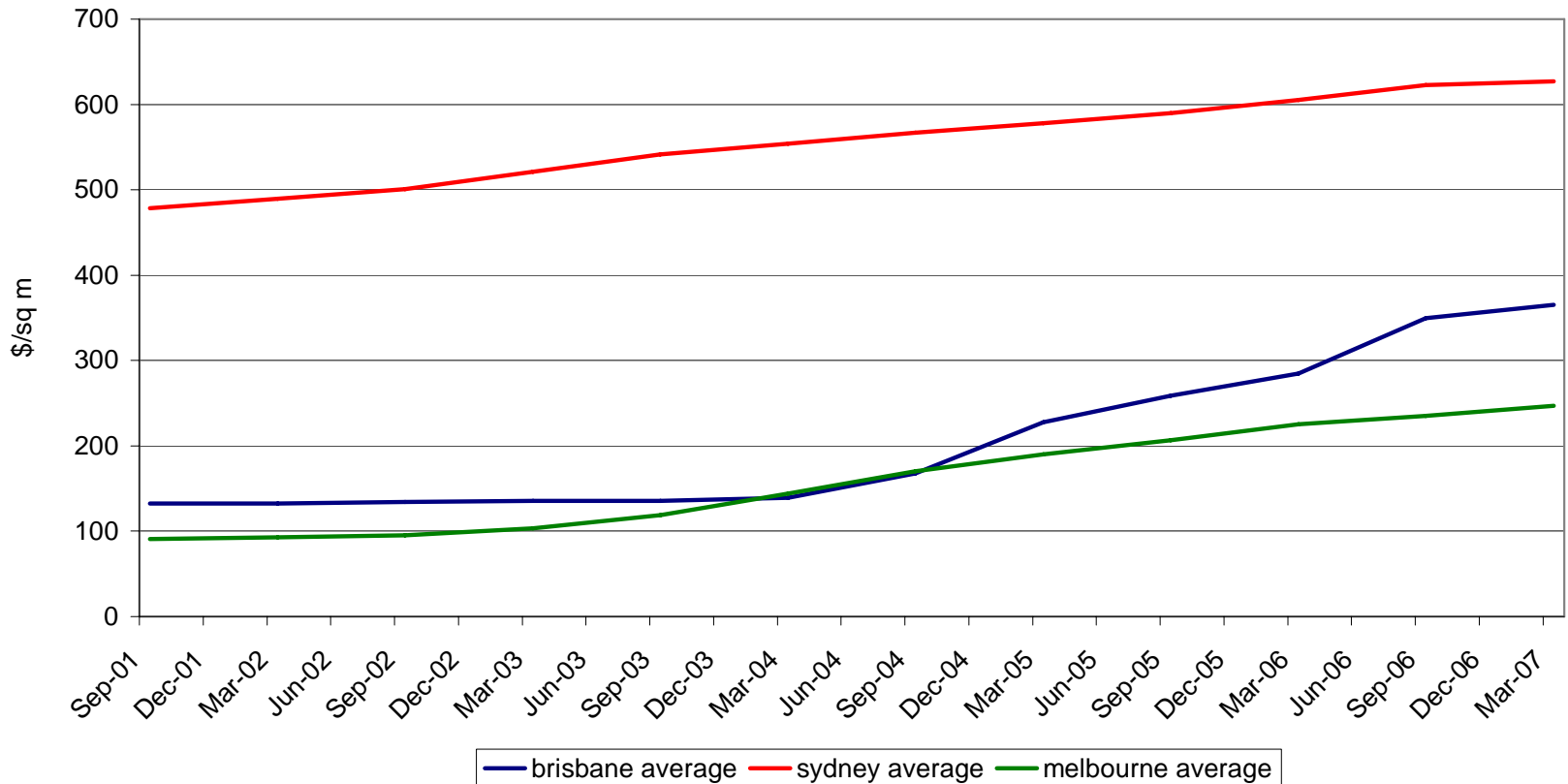
imports v exports growth



- **Export activity likely to improve across QLD and nationally after a rocky 5 years. Due to high production levels anticipated including mining activity.**
- **Imports to fall after a high 2008 period.**



industrial land value

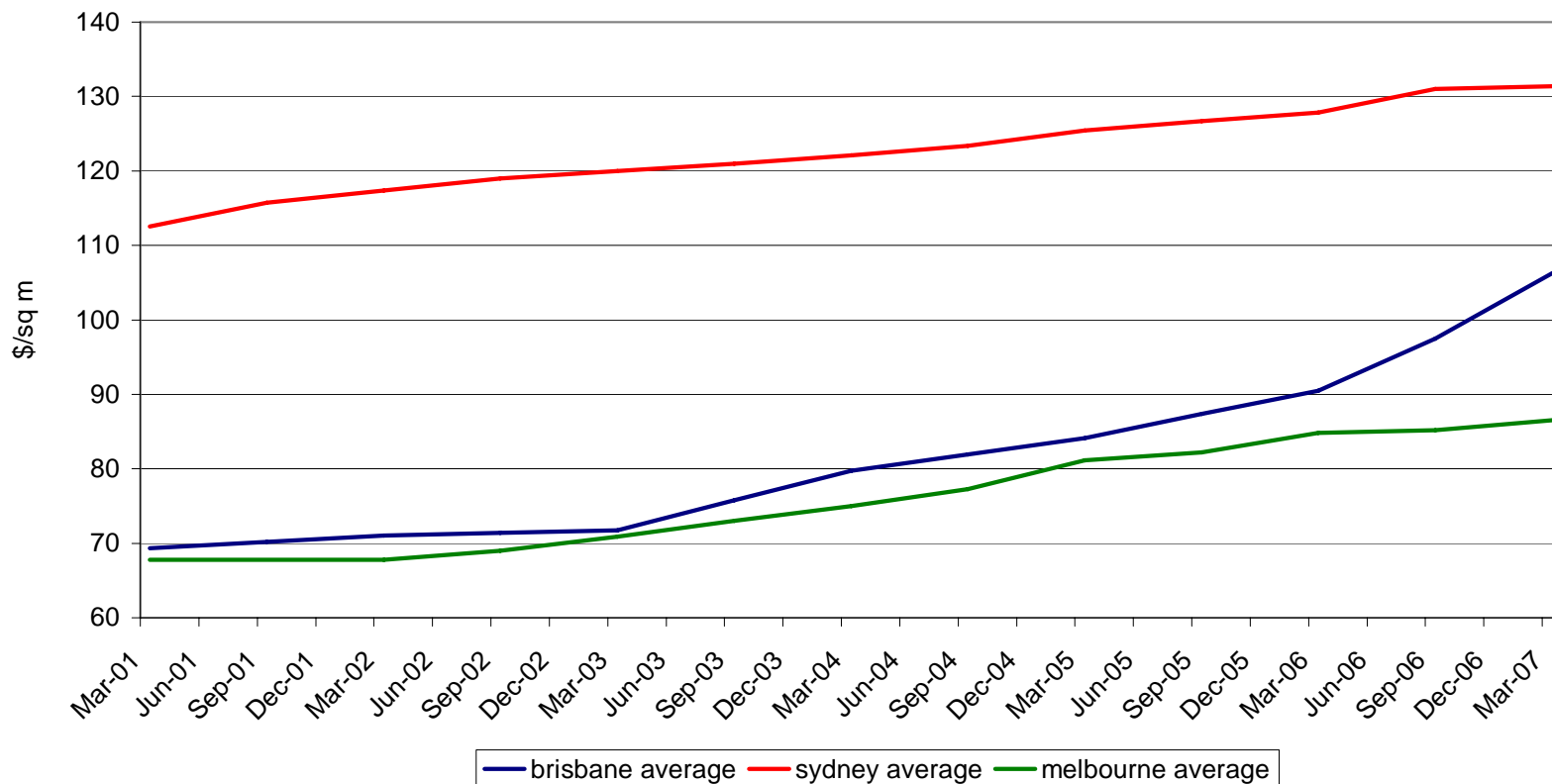


Source: LandMark White Research
*value based on 1.6 ha

- Industrial land values have seen good increases across the East Coast. Growth in QLD more rapid than other states over last 5 years.
- QLD – 35.1% pa, VIC – 33.1% pa, NSW – 5.6% pa.



industrial prime net face rents

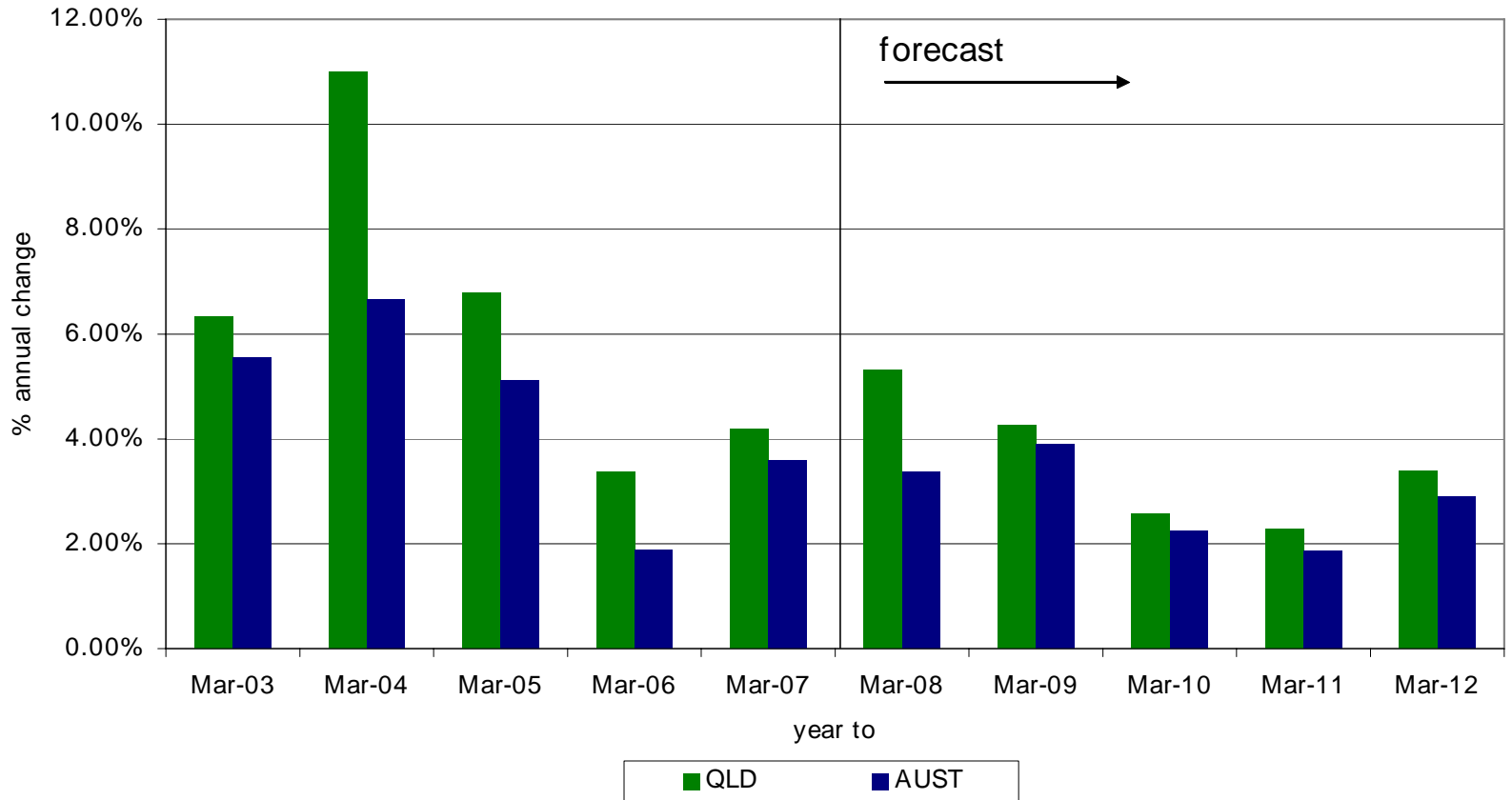


Source: LandMark White Research
 * rent based on 1,000 sq m premises

- Industrial rental growth strong particularly in QLD given favourable production numbers. Five year average growth for QLD ahead of other states.
- QLD – 9.9% pa, VIC – 5.5% pa, NSW – 2.4% pa.

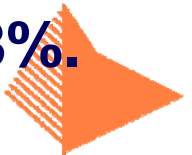


retail turnover growth

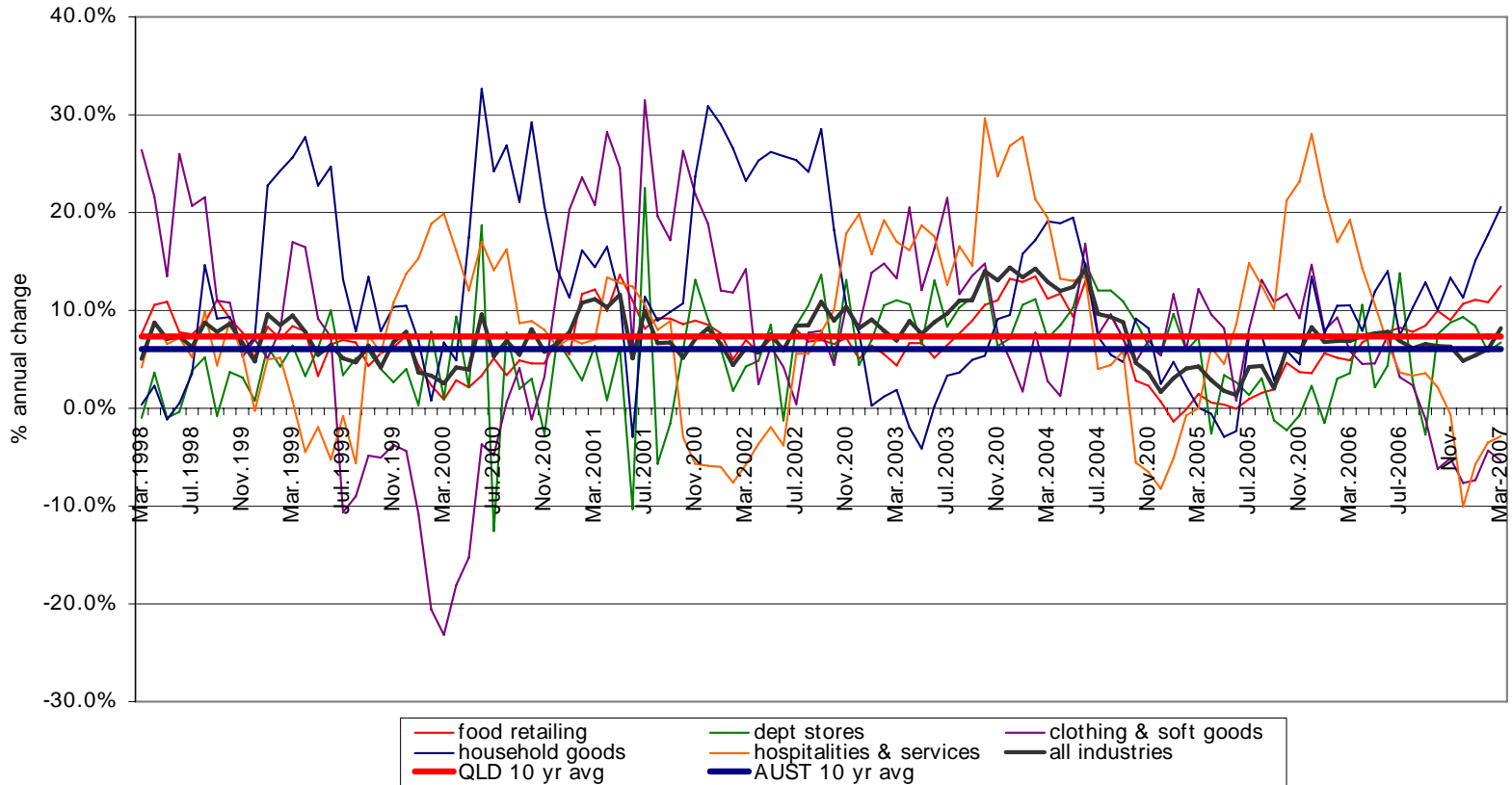


Source: Access Economics, March 2007

- High population growth likely to continue to fuel strong retail spending growth;
- QLD 5 year forecast – 3.6% pa, National – 2.8%.



historic retail turnover



Source: Australian Bureau of Statistics
Cat No. 8501.0

- Long term retail turnover trend for QLD ahead of the national average, due to consistent population growth and employment growth;
- Household goods retailing coming back, good sign for the residential market!



LandMark White

