



Australian Commercial Property Investment Outlook

BIS Oxford Economics' **Australian Commercial Property Investment Outlook** provides local and overseas investors with key insights into property market prospects across Australian cities and sectors. Comparative growth rates for rentals, yields, capital values and total returns (IRRs) can help clients formulate a granular property strategy or evaluate investment in individual properties. The discussion of buy-sell investment logic for individual markets clarifies risks and opportunities.

Six-monthly reports distil the analysis and forecasts from our individual detailed studies on Australia's office, retail, industrial and residential markets. Our deep understanding of the fundamental drivers of demand and supply across markets and industry sectors can help clients position into and out of markets early and avoid making costly mistakes.

Key benefits:

■ **Comparison of market returns aids allocation between property sectors.** Reports provide a research base for the preliminary investigation of investment opportunities across Australia's major property sectors, helping investors narrow their focus to markets of interest.

■ **Consistent and comparable forecasting methodologies.** BIS Oxford Economics' property market analysis draws on in-house economic analysis, applying a consistent methodology across all sectors.

■ **Forecasting insights.** Our experienced team of analysts and forecasters bring together more than 120 years' experience in property forecasting, market research, data analysis and town planning.

■ **Independents forecasts** that clients can trust.

■ **Research briefing.** An in-house presentation, webinar or teleconference is included as part of the subscription.

■ **Access to property experts.** Speak directly to our team of senior property consultants.

Up-to-date analysis and forecasts for Australia's key property investment sectors

Property outlook, 5 years: 2017 to 2022		Yields		IRR (%)	
Market growth (%)	Net absorption	2017	2018	2019	2020
18	47	6.2	6.4	6.2	6.2
7	22	5.8	6.0	5.8	5.8

Year	Net absorption	Net absorption	Net absorption	Net absorption	Net absorption
2016	2017	2018	2019	2020	2021
100	100	100	100	100	100

For investors requiring more detailed analysis, historical data and longer term forecasts, individual market reports covering office, retail, large format retailing, industrial and residential sectors are available. Annual (10 year) forecasts form the basis of assumptions in a financial evaluation or feasibility analysis. (See details overpage)

CBD vacancy rates, alternative scenarios

Key tables in Excel format

Year	CBD office vacancy rate (%)	CBD office vacancy rate (%)	Office average price (\$/sqm)	Office average price (\$/sqm)	Office average price (\$/sqm)
2017	2018	2019	2020	2021	2022
2017	4.5	5.0	100	100	100
2018	5.5	6.0	110	110	110
2019	6.5	7.0	120	120	120
2020	7.5	8.0	130	130	130
2021	8.5	9.0	140	140	140
2022	9.5	10.0	150	150	150



Related reports

Markets covered:

Office: Sydney, Melbourne, Brisbane, Canberra, Adelaide, Perth, Sydney and Melbourne Suburban

Retail: Australia

Large Format: Australia

Industrial: Sydney, Melbourne, Brisbane

Residential Dwellings: Australia

Residential Apartments: Sydney, Melbourne, Brisbane, Sydney Suburban

Residential Land: Sydney, Melbourne, Brisbane, Gold Coast/Sunshine Coast, Perth, Adelaide

Individual studies feature:

■ **Forecasts of relevant key sector variables.** Data from 1980 and forecasts to 2028 for key indicators including employment by industry sector, workspace ratio, net absorption, completions and net additions, vacancy rates, face and effective rentals, CPI, yields, capital values and total returns. Retail study variables include turnover by store category and state, centre income, income and capital returns.

■ **Scenario analysis.** Testing alternative demand and supply outcomes and tracing the consequences for market vacancies, rents and prices.

■ **Strategy and opportunity matrix.** Presents the current logic for buying and selling of buildings, leasing strategy and development. Highlights risks and opportunities, and considers implications for timing of investment and divestment decisions.

About BIS Oxford Economics

Following the merger of Oxford Economics with BIS Shrapnel in March 2017, BIS Oxford Economics is amongst Australia's foremost independent economic advisors and provider of industry research, analysis and

forecasting services. We apply local methodologies and international insights within a fully consistent modelling framework to help clients better understand the markets and sectors in which they operate.

As a market leader in property market analysis and forecasting in Australia over 30 years, BIS Oxford Economics aims to provide clients with high quality, independent advice to help them make the best possible property decisions. Our focus is on how markets will change in the short, medium and longer term as a consequence of cyclical and structural influences. Via off-the-shelf reports, customised consultancy projects and private briefings, we tackle the critical issues facing clients including:

- How much can we afford to pay to achieve target returns?
- Are markets over-valued or under-valued?
- What leasing strategies should we implement?

Testimonials

"We have a longstanding relationship with BIS Oxford Economics. Their research is highly valued and has proven to be indispensable throughout the ups and downs of market cycles."

Paul Weightman, CEO, Cromwell Property Group

"For Henkell Brothers Investment Managers, the guidance given through BIS Oxford Economics has been an essential day-to-day and strategic decision-making tool since 1999 . . . the profoundness and sound methodology of BIS Oxford Economics' research approach comes through at all times, making the results utterly reliable".

Hans Henkell, Managing Director, Henkell Brothers

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