



INDUSTRIAL SNAPSHOT SYDNEY

Compiled by Laing + Simmons Commercial Research Department

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Summary

Action Plan for Sydney Metropolitan Areas Released

An action plan titled 'Employment Lands for Sydney' was released earlier this month by NSW Planning Minister Frank Sartor. The plan is aimed at creating another 125,000 jobs in business parks within Sydney's metropolitan boundaries and providing Sydney residents with more employment opportunities closer to their residences.

Employment lands are responsible for the employment of 1 in 4 of Sydney's workforce and it is estimated that accommodating employment growth will require another 7,500ha of new employment lands for industrial purposes. Therefore it is essential that planning for the release of more Greenfield sites is undertaken. The State Government have identified a North-West growth area stretching west of Rouse Hill and a South-West growth area centred around Leppington. These areas will have industrial property development encouraged at an accelerated rate to cope with population growth over coming years.

Another objective of the State Government was to plan for the regeneration of Brownfield employment lands. The industrial areas west of Liverpool CBD and between Sydney Airport and Port Botany have been designated economic renewal areas and the state and local governments will work together to ensure the upgrading of existing industrial property to encourage new employment opportunities in these precincts.

Finally, the State Government has identified its preferred locations for a new business park, similar to Norwest, in South West Sydney. The state government have declared the M7 and M4 intersection to be a future employment lands hub and anticipates that 36,000 jobs will be created in the location over coming years. The excellent transport infrastructure in this precinct made it perfect for planned future construction of industrial office and warehouse space.

These initiatives will attempt to ensure adequate employment opportunities are available for people living within Sydney's metropolitan boundaries through large-scale development of industrial property.

Source: Source: Laing + Simmons Commercial Research; Financial Review; The Australian, Sydney Morning Herald, propertyweb.com.au, www.Propertyreview.com.au; http://www.metrostrategy.nsw.gov.au/dev/digitalAssets/1884_1173073763968_ELTF_ACTIONPLAN_MARCH2007_NOMAP.pdf

Key Investment and Leasing Transactions

- 321 Mona Vale Road Terrey Hills has sold for \$4.36 million at auction. This result reflects a rate of \$130 per sqm for the 33,430 sqm site. The site contains 3 single storey office buildings and a small warehouse amounting to 2,570 sqm of total space. The property currently has a gross income of \$554,600 per annum with short term leases on two of the office buildings, but also offers the investor redevelopment potential.
- 112-114 Fairfield Street, Fairfield East has sold at auction for \$1.395 million. This reflects a result of \$797 per sqm for the 1,750 sqm building. The building attracts a net rent of \$69 per sqm resulting in a yield of 8.63% per annum.
- 87 Marigold Street in Revesby has sold at auction for \$1.689 million amounting to \$626 per sqm of improved site. The 2,700 sqm site comprised 1,800 sqm of industrial space and was sold with vacant possession.
- 21 Blaxland Road Campbelltown, in the heart of Campbelltown's bulky goods precinct, has sold for \$2.1 million amounting to \$631 per sqm of vacant site. The 3,324sqm site is zoned 4b industrial and was sold with development approval to build a 1,250 sqm bulky goods showroom which has already been pre-leased.

Source: Laing + Simmons Commercial Research; Financial Review; The Australian, Sydney Morning Herald, propertyweb.com.au, www.Propertyreview.com.au

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Prime and Secondary Industrial Rents

District	Prime		Secondary	
	Net Rents \$/SqM /Yr	Purchase Price \$/SqM	Net Rents \$/SqM /Yr	Purchase Price \$/SqM
Northern Region	\$155	\$2000	\$120	\$1650
Southern Region	\$150	\$1850	\$115	\$1450
South West	\$100	\$1100	\$75	\$800
Central West	\$140	\$1475	\$100	\$1275
Outer West	\$110	\$1250	\$90	\$1050

Source: Laing + Simmons Commercial Research

Latest Economic Indicators

	Latest Release	Average 2005	Average 2006	Average 2007F
Real GDP Growth	February 07 2.9%	2.6%	3.2%	3.0%
Unemployment	February 07 4.9%	5.1%	5.3%	5.0%
Consumer Prices	February 07 2.6%	2.7%	2.9%	2.8%
10 Year Bond	February 07 5.8%	5.4%	5.2%	5.9%

Source: Consensus Economics & Australian Bureau of Statistics