

THE NORTH SHORE

Commercial Market Overview

Summer
2017

Feature Article:

Global Demand for the North Shore





The CI Team

The Sydney North Shore Team at CI comprises of professional individuals, devoted to ensuring all client needs are met with precision and efficiency. Please contact our office to discuss the potential of your assets and we will endeavour to make sure your key drivers are achieved.



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Market Feature



Global Demand for the North Shore

The North Shore office markets of North Sydney, St Leonards, Macquarie Park and Chatswood are benefiting from a surge in domestic and offshore investment. Sustained benign interest rates, major new infrastructure and rising effective rentals underpin this investment demand.

Major new North Sydney CBD developments scheduled for completion in 2018/19 will pre-lease to major corporates and create an onflow of service tenants to North Sydney.

B Grade rentals and values will surge as continued stock withdrawal pressures the remaining B Grade assets.

A supercharging of densities and land uses will continue as the NSW Government continues to focus on mixed use development surrounding existing infrastructure.

New infrastructure – the Sydney Metro and enhanced road systems will encourage investment and consolidate the position of North Sydney and the North Shore markets as the essential elements of Sydney's economic arc.

Expect further downward pressure on yields for North Shore secondary assets as effective rental growth crystallises.

Highlights

- Major office tower development underway
- Effective rental growth to intensify
- Offshore investment to drive capital markets

The Market

The Sydney North Shore

The Sydney North Shore is a collection of four dynamic commercial markets located within proximity to the Sydney CBD. The area encapsulated in this group extends from the Northern end of the Sydney Harbour Bridge through to major northern metropolitan areas, such as Macquarie Park.

Characterised by its dynamic central core, The North Sydney CBD has historically been regarded as the focal point of the North Shore office market. However, in terms of total office space, it has been eclipsed by Macquarie Park, which now sits as NSW's largest office market outside of the Sydney CBD. The North Shore area is an active environment for developers, investors and tenants seeking opportunities made available through its broad and diverse markets, offering a variety of size, use and growth potential.

When combined, these four markets provide a total **2,295,907sqm** of commercial office space. These include:

1. North Sydney **822,496sqm**
2. Crows Nest/St Leonards **315,542sqm**
3. Chatswood **278,919sqm**
4. Macquarie Park (MP) **878,950sqm**





FH 2016 Summary

Commercial Stock

Period	:	January 2017
Total Stock	:	2,295,907sqm (including Macquarie Park*)
Total Stock	:	1,416,957sqm (excluding Macquarie Park*)
Total Vacancy	:	113,188sqm (excluding Macquarie Park*)
Vacancy Factor	:	8.0% (excluding Macquarie Park*)
Net Absorption	:	-27,532sqm (12 months to January 2017)

Commercial Sales

Recent Activity	:	\$2.20 sold in 2016
Market Yields	:	A Grade 5.00% - 5.75% Secondary Grades 5.50% - 6.00%
Trends	:	Vacancy rates will continue to decline as a result of growing demand for residential conversion and a tightening supply of new office development.

“Shear weight of demand from both domestic and offshore groups as the North Shore delivers on effective rental growth.”

- **Bevan Kenny**
Managing Director, CI Australia

Commercial Leasing

Recent Activity	:	35,300sqm of commercial space leased in 2016
Net Face Rent	:	Approx. \$550 - \$785 per sqm for an A Grade property Approx. \$445 – \$650 per sqm for Secondary Grades property
Market Incentives	:	Prime Stock – 20-28% gross Secondary Stock - 10-28% gross Depending on rental levels, product + availability

“Expect an increase in net effective rents across the North Shore as the market tightens further.”

- **Anthony Merrett**
Associate Director, CI Australia

Note: All Figures are approximate. Figures are sourced from the PCA and CI Research.

*Statistics and records for 'The North Shore' sourced from PCA do not include Macquarie Park in its figures. This is due to the variety and scale of stock in these precincts. For information about Macquarie Park/North Ryde, [click here](#)

What's Trending

The North Shore office market is currently experiencing a continued decline in vacancy rates, resulting in a 10% reduction of incentives, rising face rentals and ultimately a huge uplift net effective rents. Key drivers for these determinants are as follows:



Continued withdrawal of stock for [residential development](#)



Strong [face rental growth](#) and strong [effective rental growth](#) as incentives reduce



Increased [tenant demand](#) following major tenant commitments



Re-emergence of [Chatswood](#) as a major transport junction and office market



[Sydney's Metro project](#) is the biggest transport development to be undertaken in Australia.

The project aims to provide adequate services for people travelling within the network, with the intention to provide [one train every two minutes](#) in both directions of the Sydney CBD during peak hours.

The [Northwest](#) sector of this project will be available in the first half of 2019, whilst the remaining aspects will be released by 2024.



Commercial supply pipeline is constrained as changes to current planning regimes in Macquarie Park, St Leonards and Chatswood causes developers to assess their options

The Facts



The North Shore

Total Commercial Stock: 2,295,907sqm
(including Macquarie Park*)

Total Commercial Stock: 1,416,957sqm
(excluding Macquarie Park*)

Vacancy Rate: 8.0%
(excluding Macquarie Park*)

Based on Figures at January 2017
Source PCA & CI Australia Research

Commercial Stock:

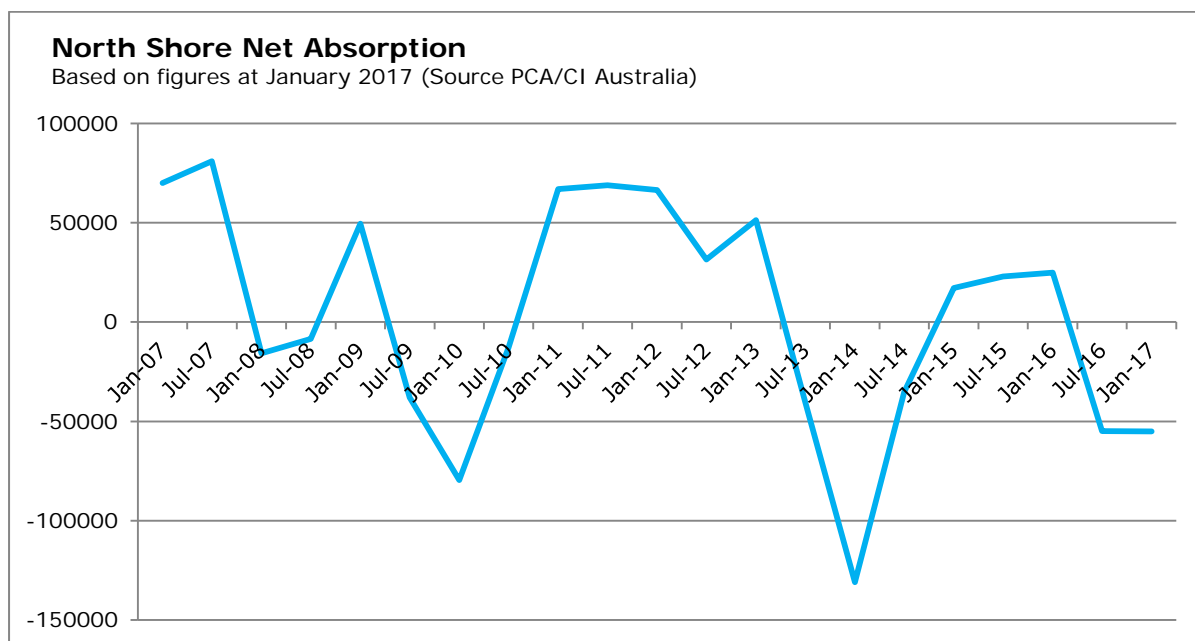
Constrained supply with only two, largely pre-committed, office towers in the North Sydney CBD will be catalysts for a sustained period of rental growth.

NORTH SHORE TOTAL COMMERCIAL STOCK (sqm)

Based on figures at January 2017 (Source PCA/CI Research)

	Total Stock	Withdrawal
North Sydney	822,496 sqm	15,118 sqm
St Leonards/Crows Nest	315,542 sqm	18,489 sqm
Chatswood	278,919 sqm	0 sqm
North Ryde/Macquarie Park	878,950 sqm	9,417 sqm
Total	2,295,907 sqm	43,024 sqm

* Statistics and records for 'The North Shore' sourced from PCA do not include Macquarie Park in its figures. This is due to the variety and scale of stock in these precincts. For information about Macquarie Park/North Ryde, [click here](#)



Investor Demand:

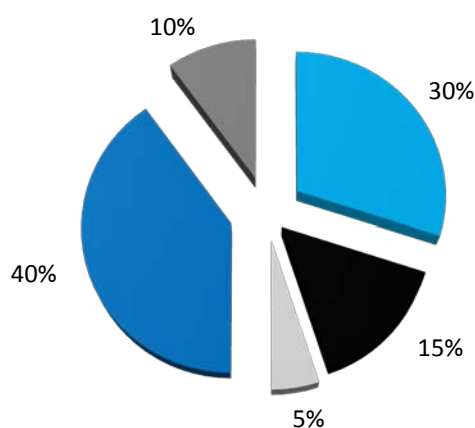
Demand is anticipated to remain strong over the next 24 months.

Fund and Trust are the dominate investor type, in the North Shore office market, accounting for approximately 40% of sales.

North Shore Investor Type*

Jan 16 - Dec 16

■ Foreign Investor
 ■ Developer
 ■ Private Investor & Owner
 ■ Trust & Fund
 ■ Government



* Approx.

Tenant Demand:

Tenants demand across the North Shore market has been strong, in particular Secondary Stock. The continued relocation of tenants from Residential Development and The Sydney Metro Project has absorbed vacancies that have previously been vacant. CI anticipate a continued positive growth in rents and a reduction in incentives as 2017 continues.

Tenant Representation Activity:

The North Shore market has experienced an influx of leasing activity following the government acquisitions for the metro line and displacement of mostly CBD B Grade tenants. The North Sydney and St Leonards office markets have become highly contested given the lack of suitable options in the Sydney CBD. Lease commitments in the B Grade market were 55% higher than the preceding year. The average B Grade incentives have reduced to between 15 and 25% with A Grade incentives between 25 – 28%.

Larger tenant briefs in the market are shown below.

Tenant Representation Appointments Based on figures at January 2017 (Source CI Research)			
Tenant	Suburb	Area (sqm)	Occupation
Fetch TV	Sydney CBD, Fringe and North Sydney	1,400	Q1 2018
INC Research	North Shore, North Sydney to Gordon	650	Q3 2017
BD (Becton Dickinson)	Seven Hills, North Ryde / Macquarie Park	450	Q3 2017
One20	North Sydney	500	Q1/Q2 2017
APN News & Media	Sydney CBD, Fringe, North Sydney and St Leonards	6,200	Q3 2018
Lego	North Ryde, Macquarie Park and Chatswood	1,250	Jun 16
Novo Nordisk	Macquarie Park	1,300	Mar 17
Citrix Systems	North Sydney	1,300	Apr 17
Medfin Finance	Sydney CBD and North Sydney	1,500	Jun 17
Hitachi	North Sydney, St Leonards and Chatswood	2,500	Oct 16
Wolters Kluwer (CCH Australia)	Macquarie Park, North Ryde, Chatswood	3,000	May 17
Covermore	Sydney CBD and North Sydney	3,500	May 17
Carnival Australia	North Sydney, Crows Nest, St Leonards, Chatswood and Macquarie Park	4,500	Jan 18
SAP Australia	Sydney CBD, North Shore and Macquarie Park	11,000	Dec 19

Development Demand:

There is an unquenchable thirst for residential development opportunities throughout the north shore which has been well reported in recent years. The table below lists the major forthcoming office withdrawals for residential conversion. The spike in office building acquisitions for conversion to residential over the past 24 months has naturally resulted in buying opportunities becoming scarcer.

COMMERCIAL TO RESIDENTIAL CONVERSION ACTIVITY			
Address	Commercial NLA (sqm)	Timing of Withdrawal	Owner/Purchaser
472 Pacific Hwy, St Leonards	4,833	2016	Mirvac
486 Pacific Hwy, St Leonards	6,785	2016	Mirvac
500 Pacific Hwy, St Leonards	11,083	2016	New Hope Vimg
100 Christie St., St Leonards	9,646	2017	Altis
150 Mowbray Road & 680 Willoughby Road, Willoughby	4,439	2018	Northrose
231 Miller St, North Sydney	2,232	2018	Platino
5 Blue St, North Sydney	8,079	2019	Zurich
39-47 Albany St, Crows Nest	4,000	2019	Pindan
221 Miller St, North Sydney	7,015	2019	Yuhu Group
168 Walker St, North Sydney	17,873	2020	Aqualand
41 McLaren St, North Sydney	8,230	Mooted (2020)	Private Consortium
52 Alfred St, Milsons Point	9,947	2022	Bridgehill

In terms of office development, North Sydney is leading the way. The 2016 completion of 177-199 Pacific Highway North Sydney (39,383sqm) (Suntec REIT) was the largest contributor to new stock, albeit it is now fully leased.

Excavation is well underway for Dexus' 100 Mount Street (40,000sqm) which aside from a prelease of c7,000sqm to Laing O'Rourke is being built speculatively.

The next office tower development likely to commence is 1 Denison Street (Winten) where a circa 60,000sqm tower is planned. Outside North Sydney, Macquarie Park is showing the highest level of office developments completed including 52 Waterloo Road, a 9,885sqm headquarters building owned and occupied by global pharmaceutical company, Novartis and 1 Thomas Holt Drive (AMP) which adds a further 11,500sqm to the market.


WITHDRAWALS FOR CONVERSIONS OTHER THAN RESIDENTIAL

Address	Current Sqm	Date of Withdrawal	Project	Owner/ Developer
90 & 100 Mount St, North Sydney	7,600	2016	Commercial Development (40,000sqm)	Dexus
155, 181 & 189 Miller St, North Sydney	15,400	2017	'Victoria Cross' Railway Station	RMS
77 Berry St, North Sydney	5,100	2018	Redevelopment of 1 Denison Place (45,700sqm)	PAG
118 Mount St, North Sydney	4,034	2019	Potential Gateway Development Site	Zurich



North Sydney CBD

Commercial Stock: 822,496sqm

Vacancy Rate: 7.1%

Based on Figures at January 2017
Source PCA & CI Australia Research

Vacancy Rates:

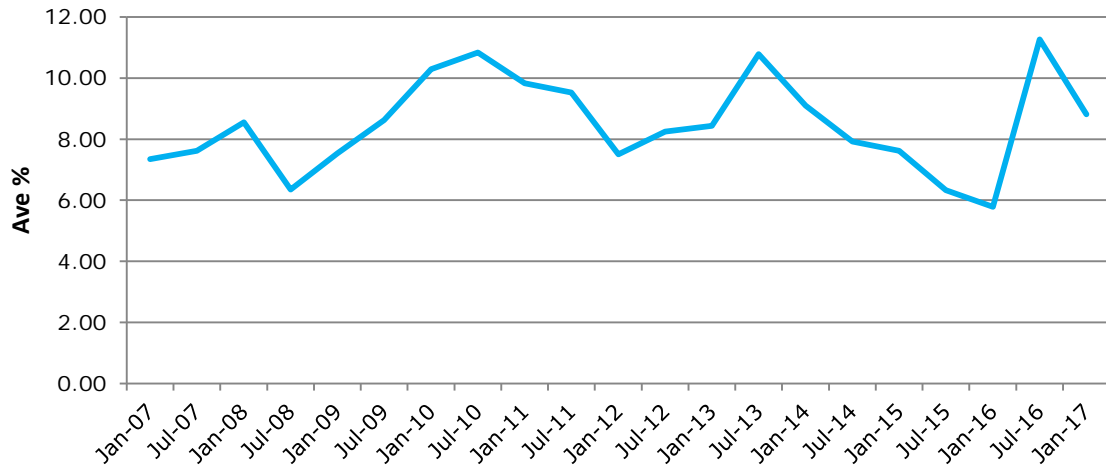
Decline in Vacancy rates can be attributed to the increasing demand in office space, residential conversion of existing stock and the limited supply entering into the market.

Up to 100,000sqm of new commercial development is either under construction or approval within the North Sydney CBD. Options for larger (2,000sqm+) tenants are limited, causing tenants to increase their search parameters to locations like Macquarie Park, Sydney Olympic Park, Rhodes and Parramatta.

Grade	Vacancy January 2017 (%)	Vacancy January 2016 (%)	Net Absorption, 6 months to January 2017 (sqm)	Net Absorption, 12 months to January 2017 (sqm)
Premium	25.2	0.0	9,219	-9,185
A	6.0	7.7	34,530	38,835
B	7.4	8.1	-13,627	-13,250
C	3.5	5.0	-2,963	-15,601
D	3.7	6.7	-91	399
Total Average	7.1	7.1	27,068	1,198

North Sydney 10-Year Vacancy

Based on figures at January 2017 (Source PCA/CI Australia)



Sales Activity

Tightening of yields and increased offshore investment were the hallmarks of 2016 and set to continue in 2017.

No.	Address	Area (sqm)	Date	Price (\$)	Yield (%)
54	Miller Street, North Sydney	7,011	Dec 16	52,300,000	6.00
132	Arthur Street, North Sydney	7,830	Nov 16	70,000,000	5.70
90	Arthur Street, North Sydney	9,146	Aug 16	73,500,000	6.39
1 77	Denison St, North Sydney Berry St, North Sydney	8,000	Jun 16	80,000,000	N/A
181	Miller St, North Sydney	12,074	Apr 16	101,000,000	3.03
100	Arthur St, North Sydney	26,300	Jan 16	312,000,000	6.20

Leasing Activity

Positive demand in North Sydney can be seen with only a slight increase of 0.1% in vacancy with 45,132sqm supply additions being added to market and 27,068sqm of net absorption. The leasing activity in North Sydney in July 2016 to January 2017 has been strong, particularly in secondary stock. The 20,000sqm of tenants forced to relocate due to the Sydney Metro project have now absorbed into the B Grade market. A significant increase in rents is evident with refurbished B Grade rentals reaching to \$785 Gross sqm. B grade incentives are reducing with incentives of 10-15% gross being achieved.

Premium rents remain consistent with incentives situated between 22-28% gross. The majority of vacancy in North Sydney is in Premium Grade stock, including 101 Miller Street with 15,614sqm and 80 Pacific Highway with 5,500sqm.

Recent transactions will assist in reducing the Premium vacancy with Mirvac securing Ace Insurance and White Clarke at 101 Miller and Arthur J Gallagher at 80 Pacific Highway.

Further detail is outlined below.

No.	Address	Area (sqm)	Date	Price (\$/sqm)	Tenant
80	Pacific Highway, North Sydney	2,026	2017	700-800 (N)	Arthur J Gallagher
101	Miller Street, North Sydney	3,500	2017	700-765 (N)	Ace Insurance
101	Miller Street, North Sydney	1,420	2017	700-765 (N)	White Clark
177	Pacific Highway, North Sydney	1,517	Mar 17	790 (N)	Objective Consulting
177	Pacific Highway, North Sydney	4,676	Feb 17	675 (N)	Cisco
54	Miller Street, North Sydney	99	Dec 16	610 (N)	Yellowfin
140	Arthur Street, North Sydney	269	Dec 16	550 (N)	William
100	Miller Street, North Sydney	201	Dec 16	760 (G)	SJD
140	Arthur Street, North Sydney	195	Nov 16	550 (N)	Ignite Energy
99	Mount Street, North Sydney	264	Nov 16	745 (G)	Eco World
2	Elizabeth Plaza, North Sydney	225	Nov 16	630 (N)	Landesk
2	Elizabeth Plaza, North Sydney	378	Nov 16	650 (N)	KJA
2	Elizabeth Plaza, North Sydney	340	Nov 16	565 (N)	DWA Media
177	Pacific Highway, North Sydney	6,720	Oct 16	650 (N)	Jacobs
177	Pacific Highway, North Sydney	15,284	Oct 16	675 (N)	Vodafone
99	Mount Street, North Sydney	184	Oct 16	720 (G)	Dragados
20	Berry Street, North Sydney	364	Oct 16	560 (G)	ADG Engineers

Development Activity

With 177 Pacific Highway fully leased, the North Sydney market will be reliant on the refurbishment of existing stock, until 100 Mount Street is completed.

No.	Address	Status	Completion	NLA (sqm)
100	Pacific Hwy, North Sydney	Partial Refurbishment	Q1 2017	1,408
100	Mount St, North Sydney	Construction	Q1 2019+	42,000
1	Denison, North Sydney	DA Approved	Mooted	60,000



Crows Nest/St Leonards

Commercial Stock: 315,542sqm

Vacancy Rate: 10.5%

Based on Figures at January 2017
Source PCA & CI Australia Research

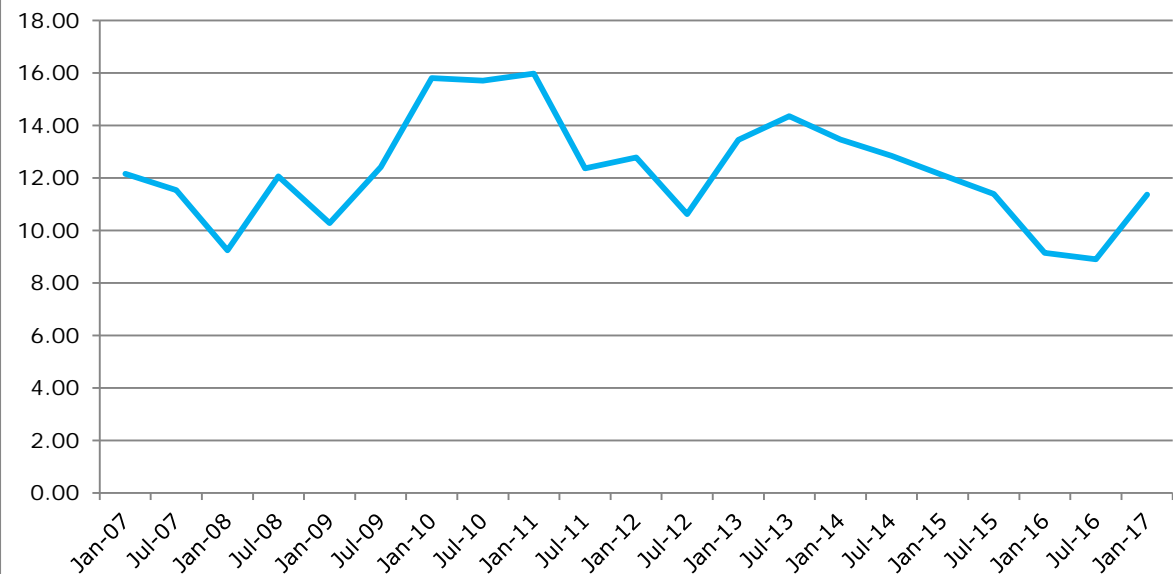
Vacancy Rates:

Vacancy Rates in Crows Nest/St Leonards have increased by 0.9% over the year to January 2017.

Grade	Vacancy January 2017 (%)	Vacancy January 2016 (%)	Net Absorption, 6 months to January 2017 (sqm)	Net Absorption, 12 months to January 2017 (sqm)
Premium	-	-	-	-
A	7.0	3.5	-4,154	-3,534
B	17.8	9.1	-11,818	-9,923
C	9.6	13.8	-7,222	-14,725
D	12.1	9.2	316	-357
Total Average	10.5	9.6	-22,878	-28,539

Crows Nest 10-Year Vacancy

Based on figures at January 2017 (Source PCA/CI Australia)



Sales Activity

St Leonards benefits from larger tenants with a significant rental threshold advantage over North Sydney and the Sydney CBD. Stock withdrawal for residential development is concentrating commercial activity close to the St Leonards railway station.

No.	Address	Area (sqm)	Date	Price (\$)	Yield (%)
72	Christie Street, St Leonards	11,321	Feb 17	74,000,000	N/A
51-53	Willoughby Road, Crows Nest	754	Nov 16	10,350,000	4.20
100	Christie Street, St Leonards	10,040	May 16	62,500,000	N/A

Leasing Activity

The vacancy rate in Crows Nest and St Leonards has increased from 8.5% to 10.5% due to 22,878 sqm of negative net absorption. This considerable increase has been in B Grade vacancy rising from 6.3% in July 2016 to 17.8% in January 2017. The increase is the result of Jacobs (formerly Sinclair Knight Mertz) vacating 100 Christie Street, St Leonards to 177 Pacific Highway in North Sydney.

Leasing activity in Crows Nest/ St Leonards has been limited over the last 12 months, primarily due to a shortage of quality A/B grade accommodation. A significant portion of the B grade vacancy is short term, with a number of properties due for demolition and withdrawal from the market. The majority of A Grade vacancy is located at 201 Pacific Highway, consisting of approximately 4,129sqm.



No.	Address	Area (sqm)	Date	Price (\$/sqm)	Tenant
657	Pacific Hwy, St Leonards	208	Jan 17	410 (N)	Civmec
657	Pacific Hwy, St Leonards	530	Jul 16	425 (N)	Umow Lai
1	Chandos St, St Leonards	201	Jul 16	480 (G)	Design Suite

Development Activity

All of the projects noted below have the potential to convert to residential use.

No.	Address	Area (sqm)	Completion	Owner
472	Pacific Hwy, St Leonards	4,833	2016	Mirvac
486	Pacific Hwy, St Leonards	6,785	2016	Mirvac
500	Pacific Hwy, St Leonards	11,083	2016	New Hope VIMG
100	Christie St., St Leonards	9,646	2017	Deicorp

No.	Address	Status	Completion	NLA (sqm)
1-3	Atchison St, St Leonards	Construction	Q1 2017	1,825
472-494	Pacific Hwy, St Leonards	Construction	Q4 2019+	4,600
18-20	Atchison St, St Leonards	DA Applied	Mooted	2,300
Bldg D1 219-247	Pacific Hwy, St Leonards	DA Approved	Mooted	16,000
Bldg D2 219-247	Pacific Hwy, St Leonards	DA Approved	Mooted	15,000
Bldg D3 219-247	Pacific Hwy, St Leonards	DA Approved	Mooted	15,000



Chatswood

Commercial Stock: 278,919sqm

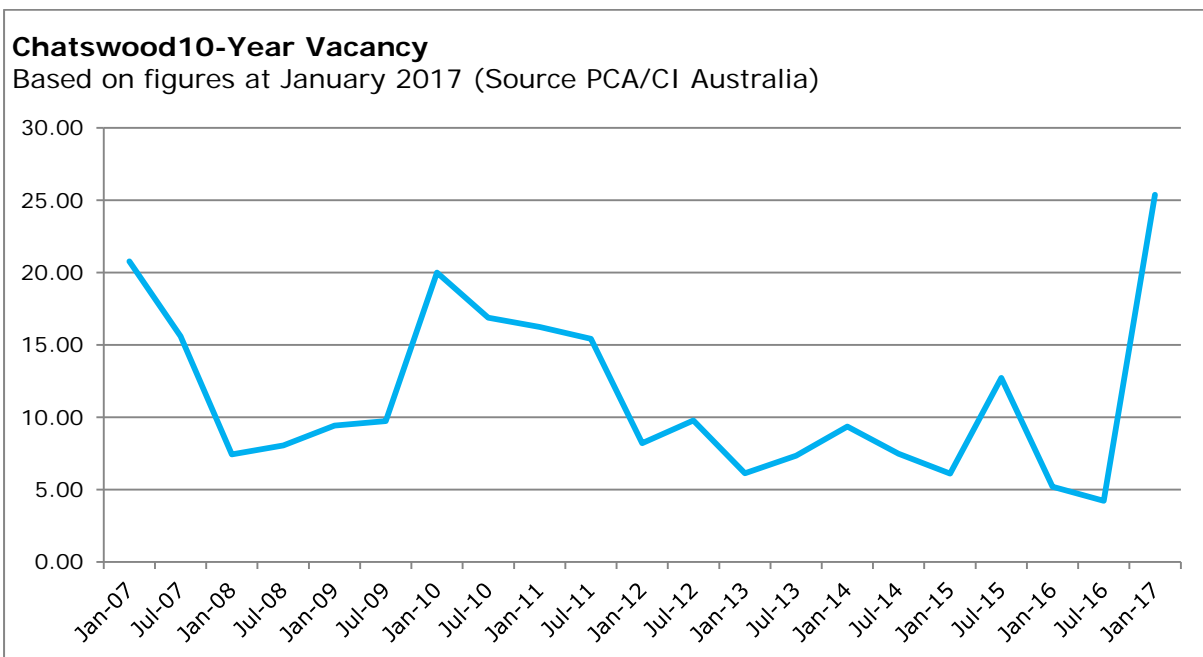
Vacancy Rate: 7.7%

Based on Figures at January 2017
Source PCA & CI Australia Research

Vacancy Rates:

Vacancy Rates in Chatswood have increased by 1.1% since July 2016. This is relatively small compared to the total stock.

Grade	Vacancy January 2017 (%)	Vacancy January 2016 (%)	Net Absorption, 6 months to January 2017 (sqm)	Net Absorption, 12 months to January 2017 (sqm)
Premium	-	-	-	-
A	8.0	7.3	-2,932	-1,138
B	8.9	10.1	709	891
C	3.9	5.1	-633	510
D	100.0	0.0	-454	-454
Total Average	7.7	7.7	-3,310	-191



Sales Activity

Chatswood is a major beneficiary of new rail and retail infrastructure; it is a well connected hub and destination for domestic and offshore investment.

No.	Address	Area (sqm)	Date	Price (\$)	Yield (%)
282-284	Victoria Avenue, Chatswood	5,572	Nov 16	46,500,000	5.61
15	Help Street, Chatswood	5,407	Jun 16	43,800,000	N/A
821-843	Pacific Highway, Chatswood	43,749	May 16	279,000,000	7.50

Leasing Activity

The Chatswood vacancy rate has risen to 7.7% from July 2016 to January 2017 due to 3,310sqm of negative net absorption.

The vacancy in Chatswood is currently at 8% vacancy in A Grade stock with 12,587sqm of a total 157,412sqm. A further increase in A Grade stock is anticipated to enter the market in the next 6-12 months. If rental levels continue to rise and stock tightens in A and B Grade in North Sydney, CI is predicting that larger North Sydney tenants will strongly consider Chatswood as a more cost effective option.

The B Grade vacancy in Chatswood is currently at 8.9% down from 9.9% as of July 2016 being 7,505sqm of a total 76,046sqm. B Grade stock remains a strong performer and will benefit from the residential conversion trend and other withdrawals due to the new metro lines. The trend is forcing tenants from primarily B Grade buildings into the market while simultaneously reducing their supply options. In turn, net effective rentals in the B Grade accommodation are set to improve further with minimal new supply forecast.



No.	Address	Area (sqm)	Date	Price (\$/sqm)	Tenant
9	Help St, Chatswood	220	Dec 16	420 (N)	Otsuko Pharmaceutical
9	Help St, Chatswood	166	Dec 16	395 (N)	Bella Jones
821	Pacific Hwy, Chatswood	947	Dec 16	567 (G)	RCR O'Donnell Griffin
1-5	Railway St, Chatswood	162	Dec 16	600 (G)	CPRAM Investments
475	Victoria Ave, Chatswood	923	Dec 16	460 (N)	Information Technology
475	Victoria Ave, Chatswood	398	Nov 16	465 (N)	Envoy
9	Help Street, Chatswood	152	Oct 16	425 (N)	Quantum Financial
9	Help Street, Chatswood	304	Oct 16	395 (N)	Printing Industries
475	Pacific Hwy, Chatswood	138	Oct 16	495 (N)	SF Suntech
845	Pacific Hwy, Chatswood	304	Oct 16	340 (N)	Sydney String Centre
9	Help St, Chatswood	304	Oct 16	395 (N)	Printing Industries
15	Help Street, Chatswood	520	Sep 16	500 (G)	NRS Media
821	Pacific Hwy Chatswood	393	Jul 16	485 (N)	Government Property NSW

Development Activity

There has been no new office development in Chatswood, nor withdrawal for residential conversion. The long awaited residential planning outcome for 815 Pacific Highway never eventuated due to Willoughby council's desire to preserve existing office stock.



Macquarie Park

Commercial Stock: 878,950sqm

Vacancy Rate: 7.5%

Based on Figures at January 2017
Source PCA & CI Australia Research

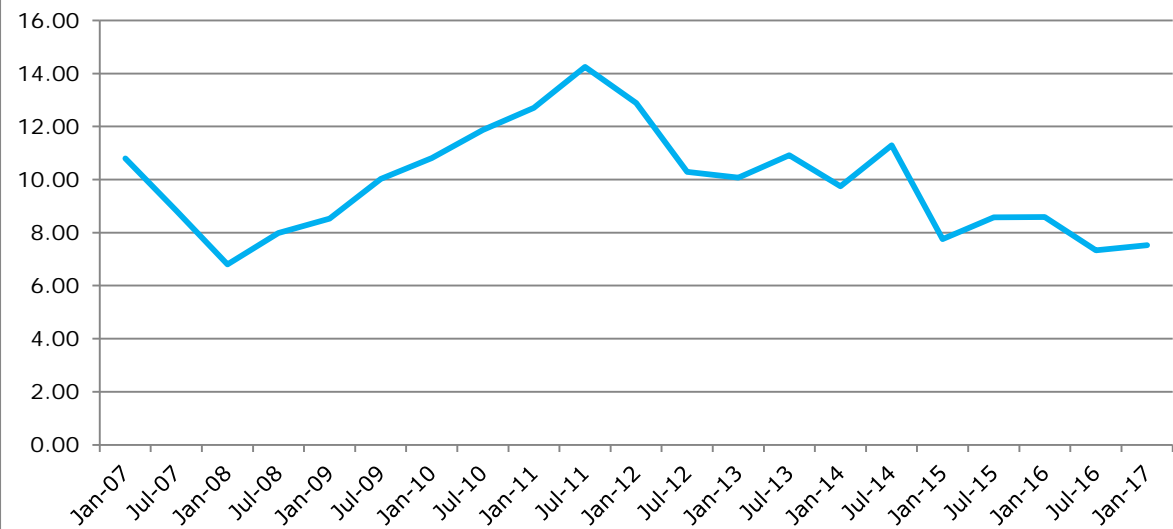
Vacancy Rates:

Vacancy Rates in Macquarie Park have increased by 0.4% since July 2016.

Grade	Vacancy January 2017 (%)	Vacancy January 2016 (%)	Net Absorption, 6 months to January 2017 (sqm)	Net Absorption, 12 months to January 2017 (sqm)
Premium	-	-	-	-
A	5.1	4.8	-904	765
B	14.2	17.5	-6,521	-2,956
C	10.7	12.4	-50	-1,077
D	0.0	0.0	0	0
Total Average	7.5	8.2	-7,475	-3,268

Macquarie Park 10-Year Vacancy

Based on figures at January 2017 (Source PCA/CI Australia)



Sales Activity

Macquarie Park has a strong future, with a strengthening commercial market, a redevelopment of the Macquarie Shopping Centre, new public transport links and an emerging residential market.

No.	Address	Area (sqm)	Date	Price (\$)	Yield (%)
123	Epping Road, Macquarie Park	16,159	Jan 17	118,000,000	6.50
37	Epping Road, Macquarie Park	8,009	Aug 16	34,000,000	7.65
113	Wicks Road, Macquarie Park	6,253	Jun 16	23,260,000	6.90

Leasing Activity

Macquarie Park's current vacancy rate is 7.5% as at January 2017, an increase from 7.1% in July 2016. The B Grade market has experienced a withdrawal of 9,417sqm with the vacancy rate at 14.2% down from 17.0% in January 2016. Incentives in the B Grade market are currently circa 30% compared to A Grade at circa 26% Gross. CI anticipate a further decline in incentives as demand increases which will cause net effective rents to rise.

No.	Address	Area (sqm)	Date	Price (\$/sqm)	Tenant
2	Lyon Park Road, Macquarie Park	1,495	Dec 16	340 (N)	Keller
2	Julius Avenue, North Ryde	2,605	Nov 16	315 (N)	Sharp
4	Drake Avenue, North Ryde	1,300	Sep 16	345 (N)	Histopath
2	Julius Avenue, Macquarie Park	3,500	Jun 16	315 (N)	Roche Diagnostics



Development Activity

The only office development underway is 8 Khartoum Road (Goodman) which has been pre-leased to Fuji-Xerox. At this point in the market tenant pre commitment at an economic rent of c\$450/sqm net is required to commence construction of the projects noted below. Macquarie Park has an A Grade market rental average of \$350 - \$375/sqm net.

No.	Address	Status	Completion	NLA (sqm)
97-99	Waterloo Road, Macquarie Park	Construction	Q3 2017	8,146
8	Khartoum Rd, Macquarie Park	Construction	Q2 2017	10,000
31-35	Epping Rd, Macquarie Park	DA Applied	Mooted	14,477
396	Lane Cove Rd, Macquarie Park	Early Feasibility	Mooted	74,000
Lot 8	Julius Ave, Macquarie Park	DA Approved	Mooted	34,194



CI Research

CI Australia is widely regarded as a market leader within the property and real estate industry, specialising in the areas of:

- Commercial Leasing
- Tenant Representation Services
- Investment Sales
- Asset Management
- Engineering & Facilities Management
- Valuations & Advisory
- Marketing & Research

The CI Research department benefits from a vast network of industry connections and the inherent resource of property knowledge that accompanies. The teams at CI are dedicated in providing their personal knowledge and market opinions in the construction of this report, and work closely with our research teams to ensure an accurate market overview is achieved.

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