

SYDNEY AUCTIONS

TOMORROW'S ORDER OF SALE

Thursday 12th of May 2011
from 10:30am

1. 18 Williamson Road Ingleburn

Office: CB Richard Ellis
Agent: Mick Ferreri & Tim Grosmann
Contact: 0418 276 622 & 0421 042 722
Auctioneer: Damien Cooley

2. 340a Botany Road Alexandria

Office: Jones Lang LaSalle Mascot
Agent: Sam Brewer
Contact: 0411 158 684
Auctioneer: Damien Cooley

3. 391-393 Pacific Hwy Crows Nest

Office: Alexandria Real Estate
Agent: James Reeves
Contact: 0404 039 884
Auctioneer: Damien Cooley

4. 198 Hume Highway Lansvale

Office: LJ Hooker Bankstown
Agent: Nathan Portelli
Contact: 0424 142 895
Auctioneer: Graeme Hennessy

5. 58 Cherry Lane Kulnura

Office: LJ Hooker Commercial
Agent: Aaron Martin
Contact: (02) 9877 6100
Auctioneer: Graeme Hennessy

6. Lot 5 Mt. Ashby Road Moss Vale

Office: Richardson & Wrench Bowral
Agent: Michael Maloney
Contact: 0414 482 150
Auctioneer: Peter Baldwin

7. 107 Dartbrook Road Auburn

Office: Richardson & Wrench Auburn
Agent: Tony Lazzaro
Contact: 0419 600 650
Auctioneer: Peter Baldwin

The Sydney Morning Herald

AUCTION CENTRE

LEVEL 3, 115 PITT ST, SYDNEY

commercialrealestate.com.au

DEVELOPMENT

Mixed outlook for REIT sector

Carolyn Cummins

COMMERCIAL PROPERTY EDITOR

INVESTORS are moving back into buying mode as the real estate industry shows signs that prices will improve in coming months.

At the same time, property owners are clearing the decks of non-core assets as the end of the financial year approaches.

In one of the latest deals, Valad Property has put its Corrimall Central shopping centre project in north Wollongong on the market for an asking price of about \$95 million.

The selling agencies, MMJ Real Estate and Stonebridge Property Group, say there is development approval for the project which,

Sales volumes look likely to fall short.

Simon Wheatley, executive director, Goldman Sachs

when completed, will include a supermarket and a large variety store such as Target, plus 50 more shops.

The project has been approved by Wollongong City Council, although a start date has yet to be set. The planned sale comes as Valad's directors work through a takeover offer by the Blackstone group of the US.

Sales aside, some real-estate investment trusts (REITs) are still

feeling the pressure, particularly in the residential and retail sectors.

Simon Wheatley, the executive director for real estate investment research at Goldman Sachs, said mixed signals on the direction for residential sales and retail sales growth were playing havoc with confidence about the subsector trends for REITs.

"We have been of the view that retail sales would see a recovery in calendar 2011, and the first-quarter comparable sales numbers reported by the REITs was surprisingly strong," Mr Wheatley said.

"This suggests a recovery in spending is already in play, although these shopping centre details were not replicated by the

March ABS [Australian Bureau of Statistics] retail sales data, so the recovery remains debatable."

On the residential side, upward trends have taken a hit after Stockland reported a surprising decline in third-quarter sales.

Deutsche Bank's property analysts said Stockland's 5 per cent share price decline in the past week reflects concern about management commentary on the residential sales rates over the March quarter and the outlook for 2011 settlements.

"While the 2011 sales volumes look likely to fall short of our expectations, we expect this to be offset by stronger pricing and margins than we had allowed for," Deutsche Bank says.

RETAIL

Adapt or perish, landlords told

Carolyn Cummins

RETAIL landlords must adapt to consumer trends at a time when bricks-and-mortar shopping is being overtaken by the internet, according to a survey.

Helen Bakewell, the managing director of Directional Insights, says in *Consumer Shopping Benchmarks 2011*, a survey of 26,000 Australian shoppers, that landlords which adapt to the changing landscape will survive.

In local centres, people shop mainly for food and since 2009 the spend per visit has increased.

"These centres must stay true to offering convenience and service," Ms Bakewell said.

"[Meanwhile] spending per customer visit has been stable at sub-regional centres, which feature a discount department store like a Kmart, Target or Big W.

"However, the survey reveals that when centre owners introduced a second discount department store, spending per customer visit increased."



Bricks and mortar ... Spending at centres with department stores has fallen 5 per cent. Photo: Andrew Goldie

The survey found that large regional centres with a David Jones or Myer store and a high proportion of non-food retailers had been hardest hit by "mission shopping", where consumers "shop and go" rather than "stay and play".

The spend per shopper visit in these centres had fallen 5 per cent in a year.

Westfield will report its first quarterly sales update today. Analysts expect the shopping centre owner to also announce details of assets sales in the US.

Westfield says it is reviewing its portfolio and could divest itself of about 10 per cent of its US malls which it deems non-core and with limited development potential.

Deutsche Bank property analysts said they expected the resilience demonstrated in recent updates from Westfield's peers to be reflected in its sales and occupancy figures.

"Notwithstanding this relatively benign backdrop, Westfield has underperformed recently, driven in part by currency

concerns that we view as overdone," Deutsche Bank said in a statement.

"Despite the stronger \$A, Westfield's 2011 earnings guidance of 74.6¢ per security and operating earnings of between 64¢ and 65¢ was set on a constant currency basis. Last week's comparable REIT results [from GPT, Stockland and CFS Retail] demonstrated that specialty sales momentum picked up the first quarter in the Australian market, albeit at the expense of department stores and discount department store sales."

FOR AUCTION

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- 1297m² total. 690m² leased. 575m² available.
- 940m² land – growth space.
- Zoned Mixed Uses 10(e).
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- Future development potential[†].

[†]Approx [†]STCA

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DB

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Countts
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George Dolores
0418 680 920

hills
Commercial
9680 9200

AUCTION

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- Landmark Commercial Building of 1,794m² NLA (approx) + 13 Cars
- DA Approved 63 Room Boutique Hotel
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- Delayed Settlement Offered!

2nd June 2011 at 10.30am (if not sold prior)
Level 3, 115 Pitt Street, Sydney

John Romyn
0414 183 712

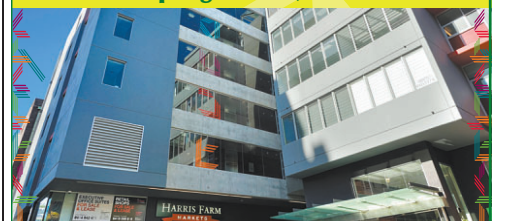
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