

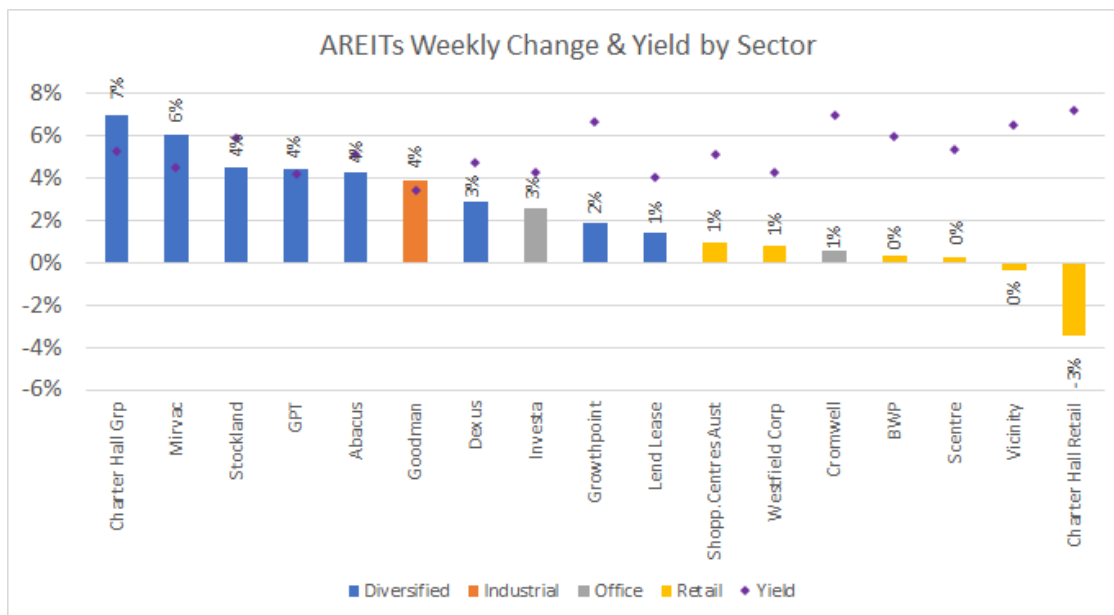


21/8/2017

Welcome to this weeks Property News.

Fifteen of the listed trusts presented their annual reports this week with strong results reported by those who are using their balance sheets and management capability to pursue a clear strategy to add maximum value to their portfolio. The AREIT Index was up 2.29% this week after investors were buoyed by the disciplined strategy and strong fundamentals from most real estate markets.

The chart below shows the change this week of the key stocks in the AREIT Index. Whilst Charter Hall are yet to announce their results they received a positive response from the market following their announcement that they were withdrawing from due diligence on Hastings. The remaining diversified trusts performed well above average, whilst the pure retail sector stocks (in yellow) performed below average as investors failed to be convinced that the challenges that lie ahead for the sector are not going to impact their investments.



All of the stocks with retail exposures attempted to address the potential threats to their business from Amazon and others with two responses;

- that Australian has far less floor space per capital than the US and far greater distribution costs and will therefore not be as impacted by Amazon and on line retail as the US has, and
- that by enhancing shoppers experience and changing the mix of retailers, shopping malls will continue to be a preferred shopping destination.

Whilst both statements are likely to provide some comfort, the market continues to expect choppy waters for the retail sector in the future as the structural changes in the distribution of goods begin to be felt. Managers who are facing the challenges head on with a deliberate strategy are more likely to be prepared than those who want to simply grow FUM or pursue development for the sake of fees.

For now I would chose to be overweight to selected managers in diversified or specialist real estate markets and underweight in pure retail.

CMA aims to assist real estate investment managers and clients to add value to their investment decisions with relevant market based advice. We value your relationship and hope that we can be of assistance to you. If you require any strategic advice, market insights, transaction report or individual REIT assessments, please feel to contact us.

Warwick Petschack  
Managing Director



Capital  
Management  
Australia

☎ 0412 173 476  
 📦 PO Box R1254, Sydney 1225  
 🌐 [www.cmaust.com](http://www.cmaust.com)  
 🌐 LinkedIn

# Property Transactions

A quiet start to the week ended with a bang on Friday with 11 deals announced all up, totaling just under \$800M.

The largest single deal was the acquisition by Ascendas Singbridge of 66 Goulburn Street Sydney for \$252M. The Vendor, GDI also announced the acquisition of a retail asset in WA.



66 Goulburn Street Sold to Ascendas Singbridge

We also review the deals by Mirvac to acquire two retail assets in Sydney.

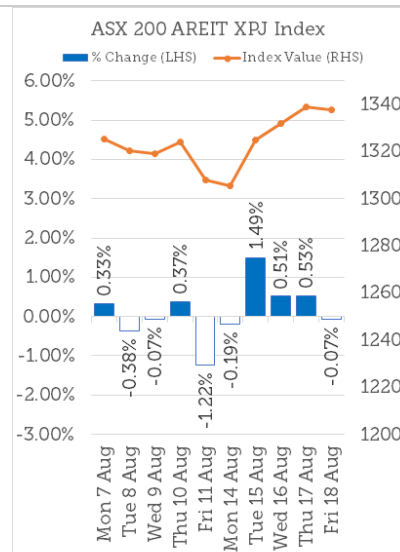
[Continue reading....](#)

## Fund News

The ASX 200 AREIT index closed the week up 2.29%. The main contributors to growth this week were the diversified trusts of Mirvac (+6.0%), Stockland (+4.5%), GPT (+4.4%) and Dexus (+4.8%) as well as Goodman (+2.9%). The poor performers for the week were those in the retail space, including Charter Hall Retail (-3.4%), and Vicinity (-0.4%).

### Annual Report Presentations

- Mirvac ([read more](#))
- Stockland ([read more](#))
- GPT ([read more](#))
- Dexus ([read more](#))
- Charter Hall Long WALE REIT ([read more](#))
- Lifestyle Communities ([read more](#))
- Viva Energy REIT ([read more](#))
- 360 Capital Group ([read more](#))
- Vicinity Retail Centres ([read more](#))
- Westfield Corporation ([read more](#))
- Charter Hall Retail REIT ([read more](#))
- Centuria Industrial REIT ([read more](#))
- Centuria Metropolitan REIT ([read more](#))
- Blackwall Property Trust ([read more](#))
- Abacus ([read more](#))



If you are interested in our specific commentary on any of the results from these trusts, please let us know.

## Other News

- GDI announced today the sale of 66 Goulburn Street for \$252M to Ascendas Singbridge ([read more](#)) and the acquisition of IKEA Inaloo Store WA for \$143M which reflects a yield of 7.8% ([read more](#))
- Mirvac announced that it had entered agreements with Payce to acquire the remaining 50% of East Village, Zetland for \$155M at a 5% yield and to acquire the remaining 50% of South Village, Kirrawee on a yield of 6%. ([read more](#))

## Property Research Portal

CMA / Propel accesses property research from leading agencies and researchers across the market and brings them together for our clients to easily access. Click here if you are interested in the latest research for;

- [Commercial markets](#)
- [Industrial markets](#)
- [Retail markets](#)
- [Residential market](#)

## Daily REIT Report

Propel publishes a daily REIT Report listing the key movements in the Australian listed property markets with information on key announcements, performance reports, presentations and analysis.

If you are interested in accessing these updates click on the link below and let us know.

[\*\*\*REIT Updates\*\*\*](#)

## Feedback

If you have any feedback on our transaction data base or any other recent news & views, please send us an email at [warwick@cmaust.com](mailto:warwick@cmaust.com)

Feel free to forward this newsletter to others and ask them to subscribe by clicking the link below.

[\*\*Subscribe\*\*](#)

Capital Management Australia Pty Ltd  
PO Box R1254  
Sydney 1225

[www.cmaust.com](http://www.cmaust.com)

You are receiving this email newsletter as a valuable client of CMA

[Preferences](#) | [Unsubscribe](#)