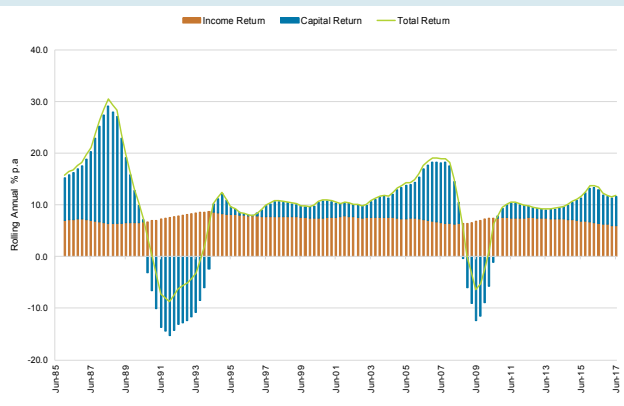


PROPERTY COUNCIL/IPD AUSTRALIA PROPERTY INDEX QUARTERLY UPDATE - JUNE 2017

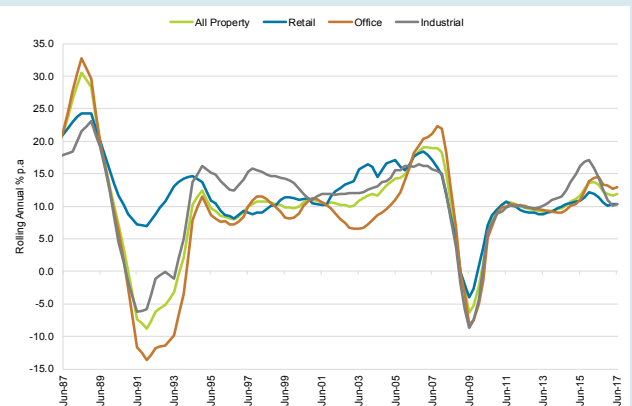
- Non-residential property delivered a total return of 11.9% the year ending June 2017;
- The capital was low at 5.6% for the year down from 6.6% a year earlier;
- Other property (hotels, healthcare etc) was the best performing sector in the year with a total return of 21.4%;
- Non-residential property underperformed equities¹ (13.8%) but outperformed bonds² (0.2%) for the year; and
- Cap rates (yields) across office, retail and industrial property remain at record low levels.

NON-RESIDENTIAL DIRECT PROPERTY RETURNS: 1985 - 2017



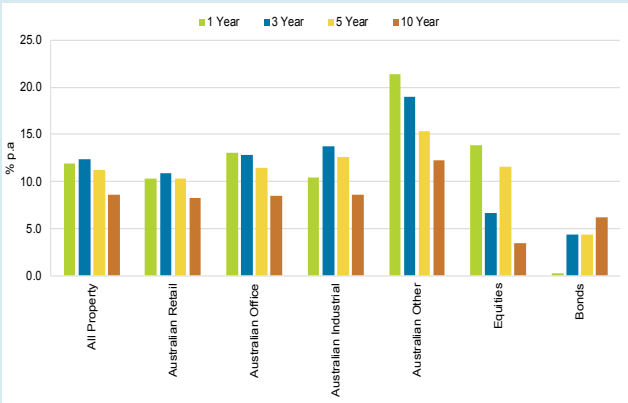
Source: MSCI / IPD

NON-RESIDENTIAL DIRECT PROPERTY SECTORS – TOTAL RETURNS: 1987 - 2017



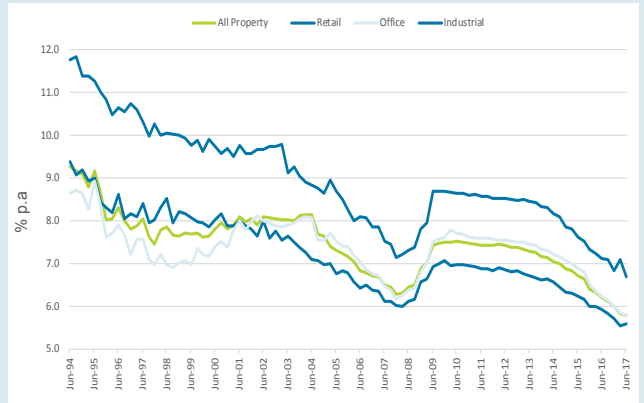
Source: MSCI / IPD

NON-RESIDENTIAL DIRECT PROPERTY VS EQUITIES AND BONDS – TOTAL RETURNS: TO JUNE 2017



Source: MSCI / IPD / UBS

NON-RESIDENTIAL DIRECT PROPERTY SECTORS – WEIGHTED AVERAGE CAP RATES: 1994 - 2017



Source: MSCI / IPD

¹ S&P/ASX 300 Accumulation Index

² UBS Composite Bond Index

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