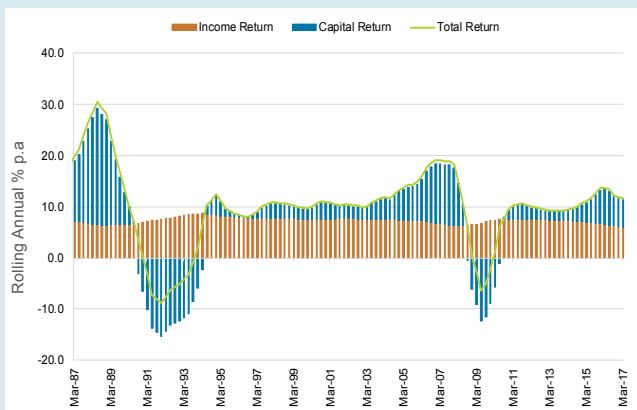




PROPERTY COUNCIL/IPD AUSTRALIA PROPERTY INDEX QUARTERLY UPDATE - MARCH 2017

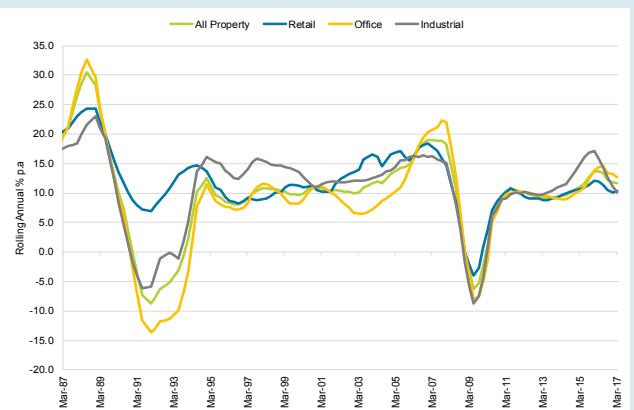
- Non-residential property delivered a total return of 11.6% the year ending March 2017;
- the capital return of remains low at 5.3% for the year;
- other property (hotels, healthcare etc) was the best performing sector with an annual total return of 16.7%;
- non-residential property underperformed equities¹ (20.2%) and outperformed bonds² (2.1%) for the year ending March 2017; and
- cap rates (yields) across office, retail and industrial property are at record low levels.

NON- RESIDENTIAL DIRECT PROPERTY RETURNS: 1987 - 2017



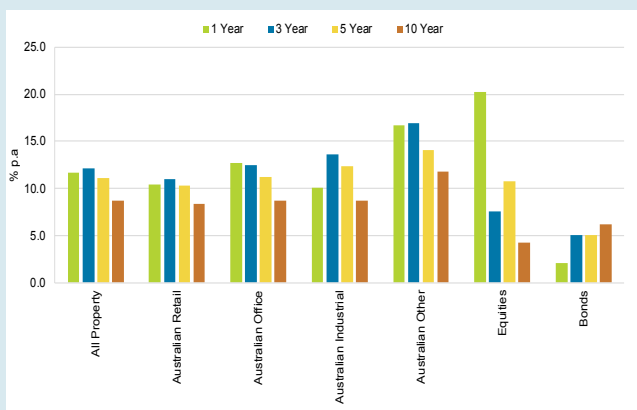
Source: MSCI / IPD

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



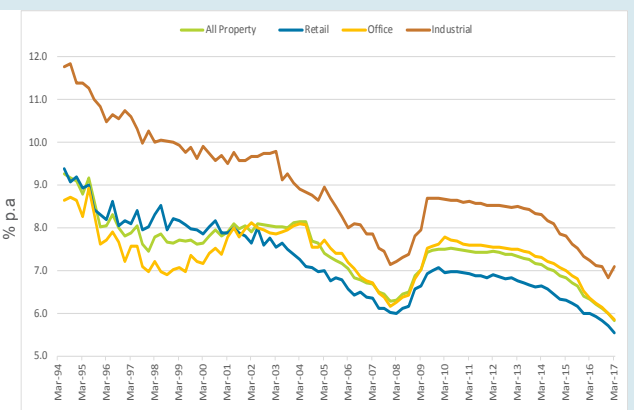
Source: MSCI / IPD

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