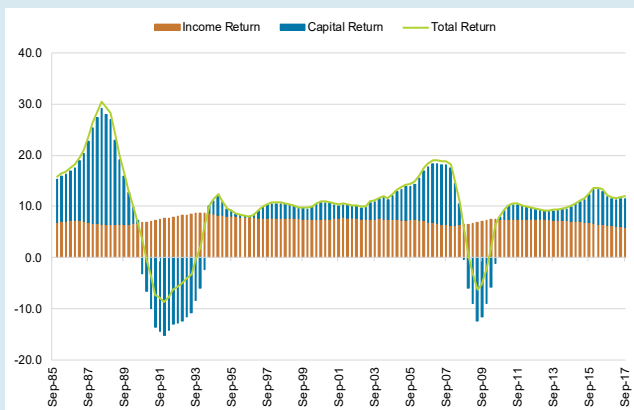




## PROPERTY COUNCIL/IPD AUSTRALIA PROPERTY INDEX QUARTERLY UPDATE - SEPTEMBER 2017

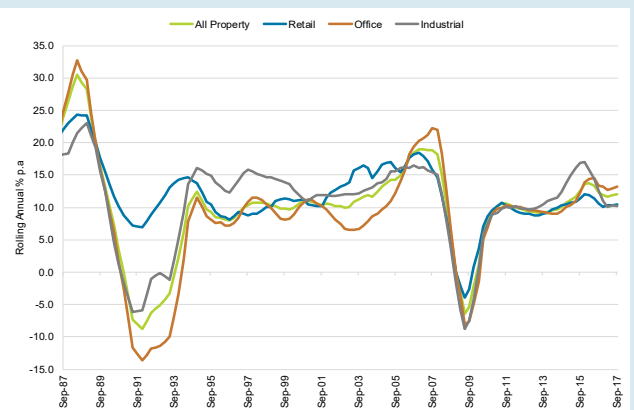
- Non-residential property delivered a total return of 12.0% the year ending September 2017;
- The capital was low at 5.8% for the year up from 5.7% a year earlier;
- Other property (hotels, healthcare etc) was the best performing sector in the year with a total return of 18.4%;
- Non-residential property outperformed equities<sup>1</sup> (9.0%) and bonds<sup>2</sup> (-0.7%) 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



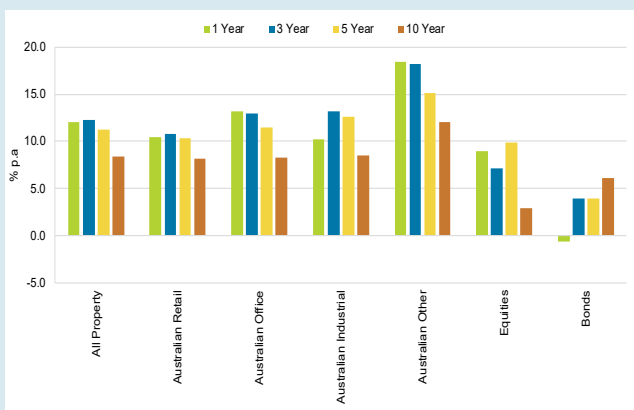
Source: MSCI / IPD

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



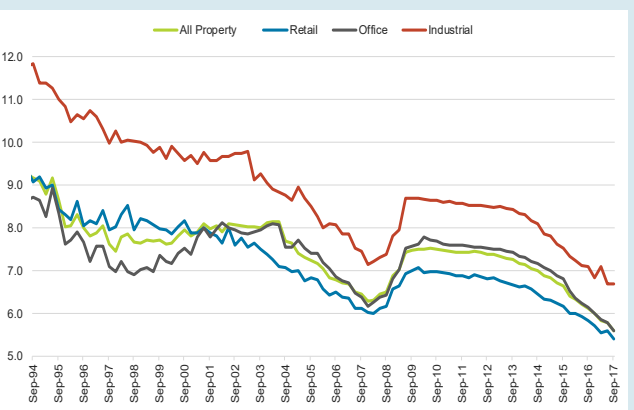
Source: MSCI / IPD

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



Source: MSCI / IPD / UBS

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



Source: MSCI / IPD

<sup>1</sup> S&P/ASX 300 Accumulation Index

<sup>2</sup> UBS Composite Bond Index

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