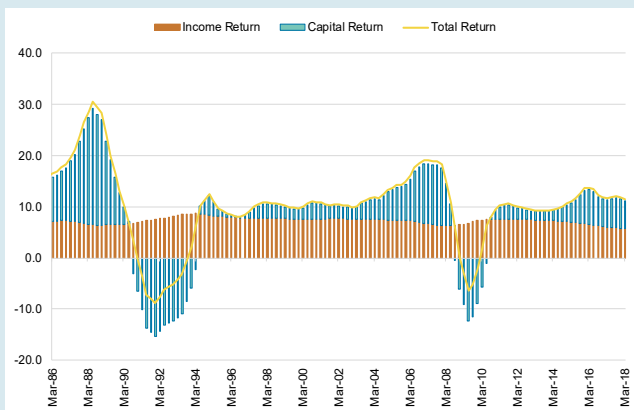


## PROPERTY COUNCIL/IPD AUSTRALIA PROPERTY INDEX QUARTERLY UPDATE - MARCH 2018

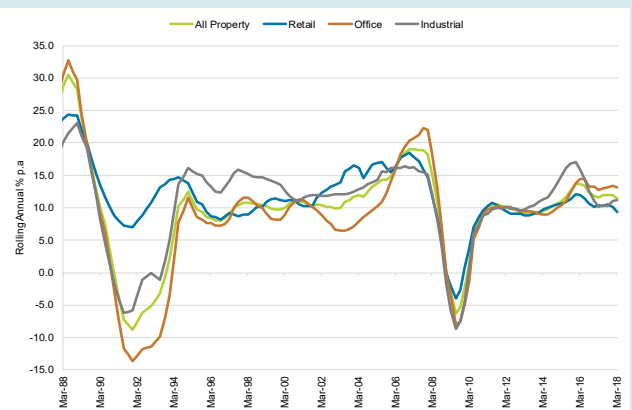
- Non-residential property delivered a total return of +11.5% the year ending March 2018;
- The capital return was low at +5.5% for the year but up from +5.3% a year earlier;
- Other property (hotels, healthcare etc.) was the best performing sector for the year with a total return of +14.1%;
- Non-residential property outperformed equities<sup>1</sup> (+2.9%) and bonds<sup>2</sup> (+3.3%) for the year; and
- Cap rates (yields) across office, retail and industrial property remain at record low levels.

### NON-RESIDENTIAL DIRECT PROPERTY RETURNS: 1986 - 2018



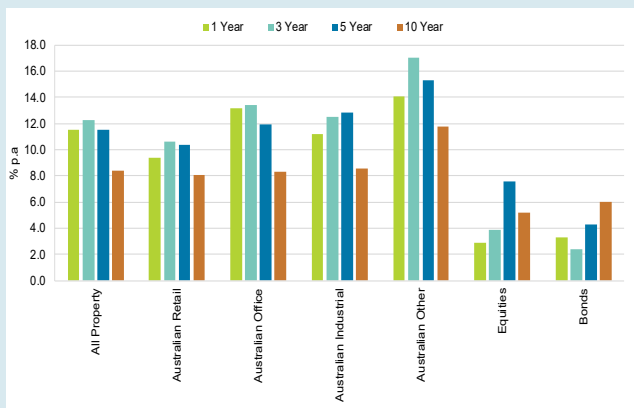
Source: MSCI / IPD

### NON-RESIDENTIAL DIRECT PROPERTY SECTORS – TOTAL RETURNS: 1988 - 2018



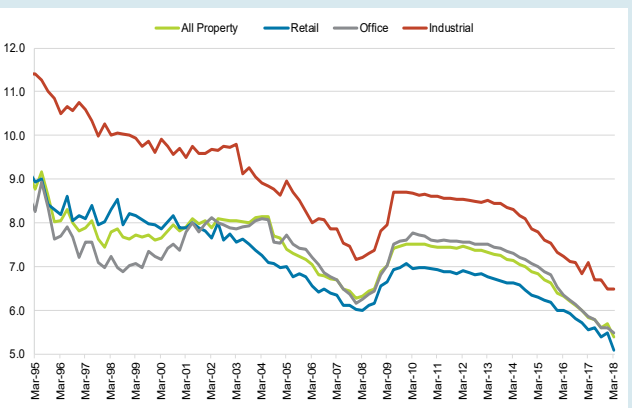
Source: MSCI / IPD

### NON-RESIDENTIAL DIRECT PROPERTY VS EQUITIES AND BONDS – TOTAL RETURNS: TO MARCH 2018



Source: MSCI / IPD / UBS

### NON-RESIDENTIAL DIRECT PROPERTY SECTORS – WEIGHTED AVERAGE CAP RATES: 1995 - 2018



Source: MSCI / IPD

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

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

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