

GEOCON

BUILDING CANBERRA

CANBERRA MARKET ASSESSMENT

Investor Report

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ARTIST IMPRESSION

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AT A GLANCE

Housing Market



POPULATION

396,857

MEDIAN RENT (HOUSE)

\$620



DWELLING APPROVALS

6,035

VACANCY RATE

0.8%



FIRST HOME BUYERS

2,403

YIELD

4.4%

MEDIAN HOUSE PRICE

\$800K

Labour Force



FULL-TIME WORKERS

136,935



UNEMPLOYMENT RATE

4.6%

MANAGERS/PROFESSIONALS

46.4%

CLERICAL & ADMINISTRATIVE

16.9%

COMMUNITY SERVICES

10.5%

TECHNICAL & TRADES

9.6%

Business & Industry

TOP 5 EMPLOYING SECTORS

CENTRAL GOVERNMENT ADMIN
DEFENCE
HOSPITALS
STATE GOVERNMENT ADMIN
HIGHER EDUCATION

IN THE PUBLIC SECTOR

35.5%

EXECUTIVE SUMMARY



POPULATION

The figure below illustrates the components of population change each year over the last 25 years.

Between 1992 and 2006 the main and in some years only contributor to population growth was natural increase, while net interstate and overseas migration was negative.



ECONOMY

The economy has been growing strongly with GSP growth increasing consecutively over the last four years, the latest data indicating a growth of 4.6% in the 12 months to June 2017.

Treasury forecasts expect growth to slow gradually to 2.5% by 2021.



EMPLOYMENT

Employment has grown by 4.7% in the year to February 2018.

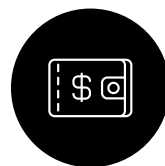
The public sector makes up 35.5% of total employment. More than 80% of high value jobs are located in central Canberra as well as 66% of all jobs.



HOUSING DEMAND

Demand, driven by population growth, has been strong with vacancy rates of 0.8% - their lowest point in the last five years.

Demand has also been shifting towards higher density dwellings with flats and apartments now making up 54.8% of all new dwelling approvals while separate houses now make up just 20.4%.



WAGES

Wages growth has turned the corner and is now increasing with growth in the wage price index at 1.7% and Treasury forecasts expect it to reach 3.0% by 2020.



DWELLING PRICES

House prices have increased from a low of \$620,000 in 2013 to around \$800,000 in 2018. Unit prices are currently around \$410,000 up from around \$400,000 in 2013.

Weekly rents for houses are currently around \$620, up from \$500 in 2009 and for units is around \$440, up from \$370 in 2009.



INFRASTRUCTURE

The ACT government is investing \$3.0 billion in physical and digital infrastructure in the ACT over the four years to 2020-21.

The Federal Government Budget 2017-18 outlines its commitment to spending \$440 million in infrastructure in the ACT through its Infrastructure Investment Program.



EDUCATION

Canberra is ranked the 22nd best student city in the world, and third best in Australia. The city is home to six university campuses

North Canberra has the third highest number of student residents in Australia behind Sydney Inner City and Melbourne City.

The education and training sector contributed \$2.1 billion to the State's economy in 2016-17, 6.2% of total GSP.



INTERNATIONAL FLIGHTS

Canberra has three direct international routes. Weekly there are seven flights to Doha by Qatar Airways and four to both Singapore and Wellington by Singapore Airlines .

In 2017 the airport serviced around 84.4 thousand international passengers, up from just 23.8 thousand in 2016.



CULTURE

The National Gallery of Australia hosts the largest collection of Aboriginal and Torres Strait Islander artworks in the world. The Canberra Museum is home to the Foundation Collection of Sir Sidney Nolan's paintings and a Standing legacy to Canberra's earliest settlers at Blundell's Cottage.



COMPETITIVE ADVANTAGE

Stamp duty in the ACT is barrier free and tax deductible within the first year of purchase. A typical stamp duty bill in the ACT is significantly lower than in New South Wales or Victoria at \$18,000 vs. \$32,000 and \$25,000 respectively.

Yield in Canberra at 4.4% is the third highest in the country, behind Darwin and Hobart.



LEISURE

Canberra is home to around 60 sport clubs for a variety of different sports from, soccer, football and cricket to Dragonboat racing, orienteering and fencing.

The ACT has some of the best mountain bike trails in Australia. All mountain bike park trails are over 20km long and well maintained.

Canberra boasts some of the best restaurants and cafes in Australia, such as Chairman & Yip, Pomegranate, Aubergine, Akiba, Bar Rochford and Benchmark Wine Bar.

MACROECONOMIC INDICATORS

Population growth

MIGRATION PATTERNS

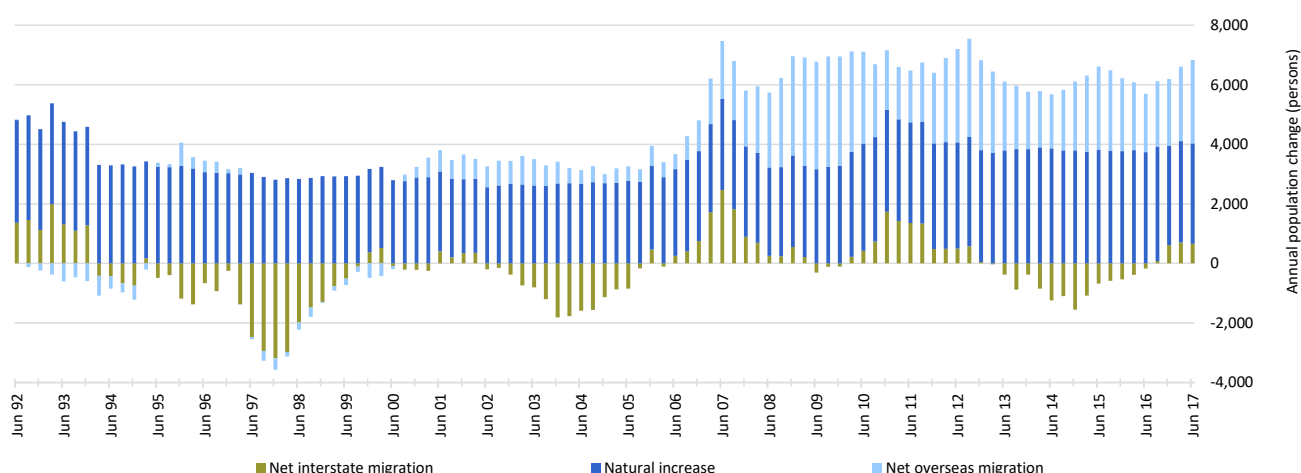
The figure below illustrates the components of population change each year over the last 25 years.

Between 1992 and 2006 the main and in some years only contributor to population growth was natural increase, while net interstate and overseas migration was negative.

Since 2006 net overseas migration has been a strong driver of the State's growth while net interstate migration increased moderately between 2006 and 2012 before again falling below zero over up until 2016.

Increasing net interstate migration indicates confidence in the State economy is strong and should have a positive effect on wages and employment.

ANNUAL CHANGE IN THE ACT POPULATION, 1992 - 2017



POPULATION GROWTH BY STATE

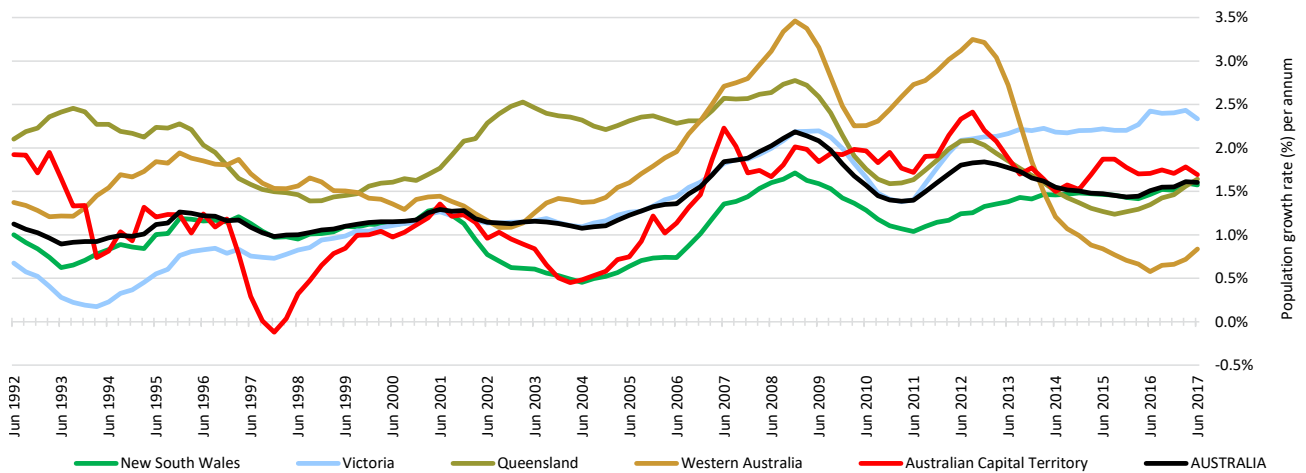
The figure below illustrates the annual population growth of NSW, VIC, QLD, WA, ACT and Australia.

Population growth in the ACT was below Australia for most of the period between 1994 and 2006, however over the last 10 years growth in the State's population has been higher than Australia.

While over the period the ACT has grown at a slower pace than WA, QLD and VIC it has been growing faster than NSW since 2001.

Since December 2014 the ACT's population growth has been higher than every other State, with the exception of Victoria.

ANNUAL GROWTH IN POPULATION IN AUSTRALIA, BY STATE, 1992 - 2017

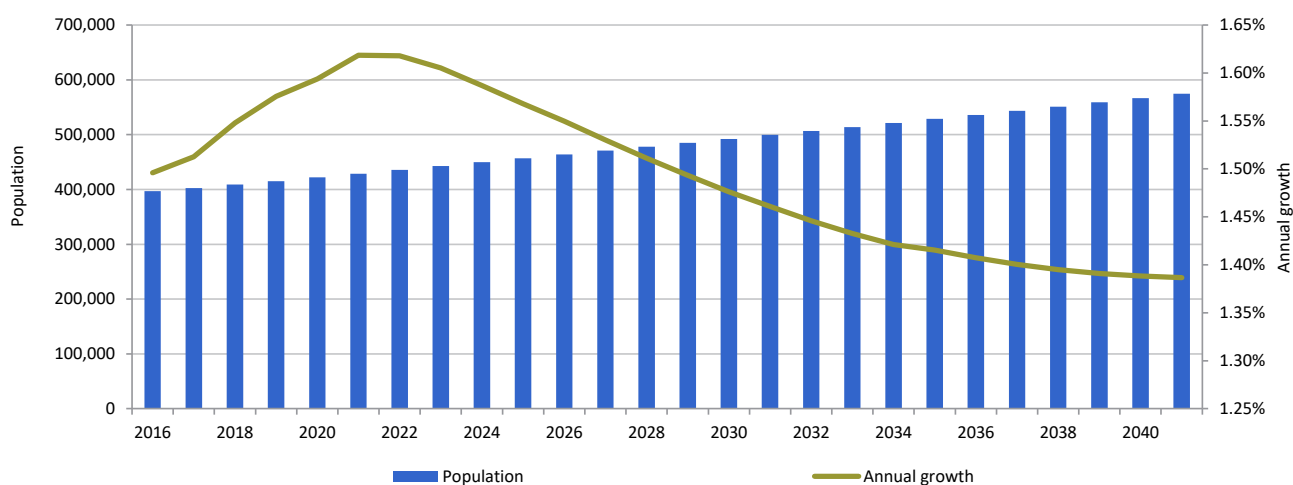


POPULATION PROJECTIONS

The figure below illustrates projected population growth rates to 2041 for selected precincts produced by the ACT Treasury.

The ACT is projected to grow by an average annual 1.5 per cent over the period, this is faster than the National projections from the Australian Treasury for the national population growth to slow gradually from 1.3 per cent to 0.4 per cent in 2046-47.

ACT POPULATION PROJECTIONS, 2016 - 2041



Source: Australian Bureau of Statistics – Census 2016, Australian Capital Territories Treasury Department – ACT Population Projections: 2017 - 2041

Employment growth

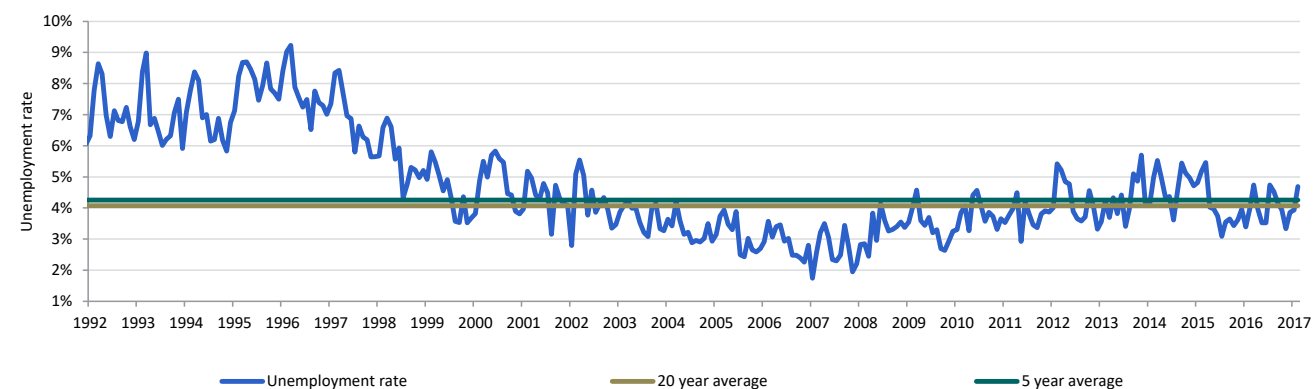
UNEMPLOYMENT

The latest data from the Australian Bureau of Statistics (ABS) indicates the unemployment rate in the ACT was 4.7 per cent in January 2018. The figure on the right indicates the ACT is out performing all the other states with the exception of the Northern Territory.

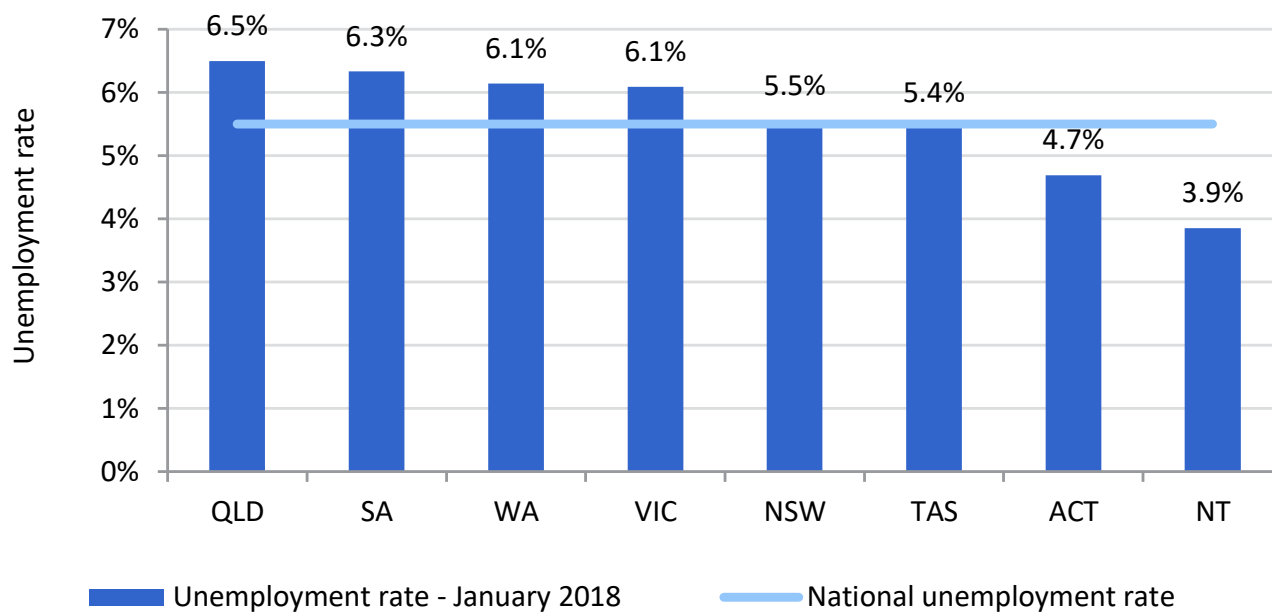
The figure below illustrates the unemployment rate over the last 20 years, as well as the 20 and 5 year average rate. Between 1997 and 2000 the unemployment rate in the ACT fell from 9.2 per cent to 3.5 per cent. Since then it has remained relatively stable.

The current unemployment rate is above both the short and long term averages of 4.3 and 4.1 per cent respectively. This suggests in the medium to long term the unemployment rate should gradually fall to the long term average of 4.1 per cent.

ACT HISTORICAL UNEMPLOYMENT RATE, 1992 - 2018



UNEMPLOYMENT RATE BY STATE, JAN 2018

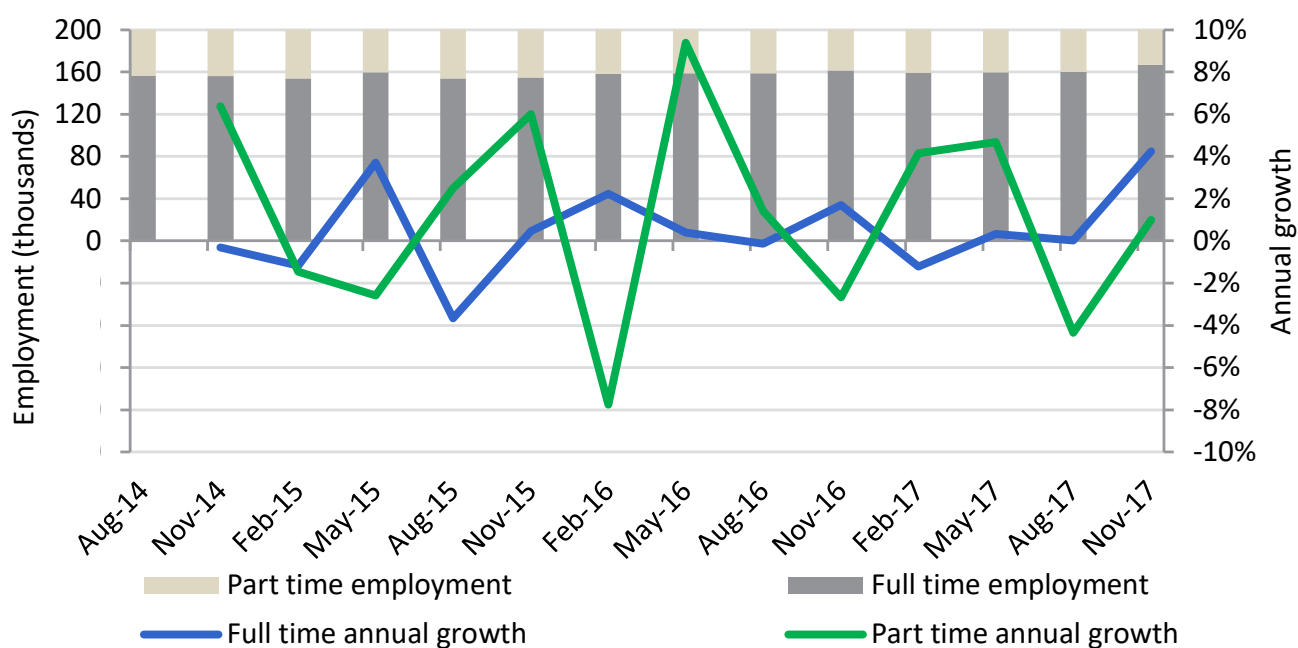


FULL TIME AND PART TIME EMPLOYMENT GROWTH

Over the last four years full-time and part-time employment in the ACT have grown by an average annual 2.1 and 5.2 per cent respectively.

In November 2017 the proportion of full-time jobs was 72.7 per cent, down from 74.5 per cent in 2014 as part time jobs grew from 25.5 to 27.3 per cent of all jobs.

ACT EMPLOYMENT GROWTH BY FULL TIME/PART TIME STATUS, AUG 2014 - NOV 2017

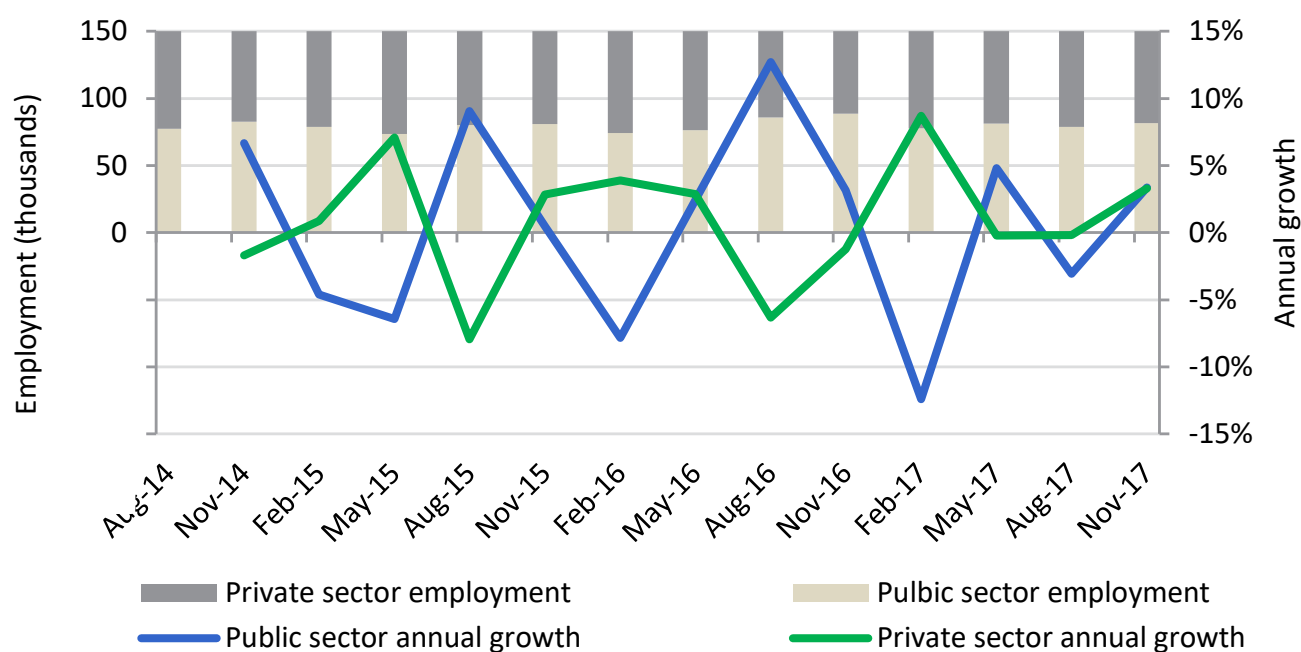


PUBLIC AND PRIVATE SECTOR GROWTH

Public sector employment has grown by an average annual 1.7 per cent over the last four years while the private sector grew by 3.6 per cent p.a.

In November 2017 the private sector represented 64.5 per cent of all jobs in the State while the public sector accounted for 35.5 per cent. There has been a shift towards more private sector jobs over the period from 2014 when the private sector represented 63.2 per cent of all jobs.

ACT EMPLOYMENT GROWTH BY SECTOR, AUG 2014 - NOV 2017



Income growth

WAGE PRICE INDEX

Canberra is the city with the highest average income in Australia.

The figure below illustrates the historical and forecast growth in the ACT's wage price index.

Over the last 20 years the wage price index in the ACT has grown by an average annual 3.3 per cent. The period between 2003 and 2008 saw particularly high growth but has since slowed to 1.7 per cent in 2016.

The latest data from the ABS indicates growth has increased again and the ACT 2017-18 Budget released by the ACT Treasury forecasts the wage price index to grow to 3.0 per cent by 2020.

HISTORICAL AND FORECAST GROWTH IN THE WAGE PRICE INDEX GROWTH, ACT, 1999 - 2021



Source: Australian Bureau of Statistics, Cat. no. 6345 – Wage price index, ACT Government Treasury

Gross state product

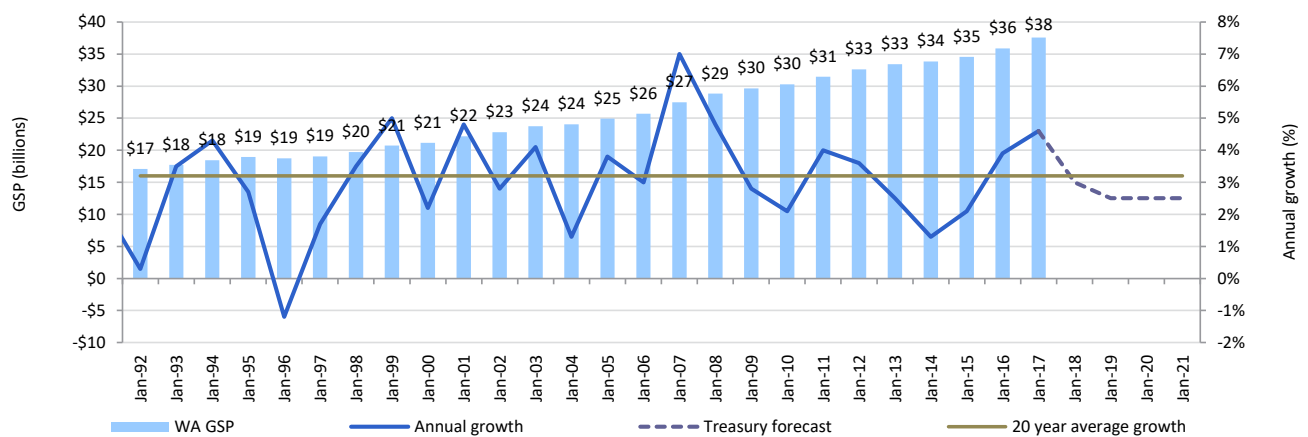
HISTORICAL AND FORECAST GROSS STATE PRODUCT

The figure below illustrates the growth in the ACT's gross state product (GSP) over the last 20 years and the forward estimates to 2021.

At 37.6 billion dollars in 2017 the economy has grown over the last 20 years, by an average annual 3.2 per cent.

Looking forward the ACT Treasury forecasts growth to gradually slow to 2.5 per cent in the short term to 2021.

ACT HISTORICAL AND FORECAST GROSS STATE PRODUCT, 1992 - 2021



RESIDENTIAL HOUSING MARKET

Housing demand

DWELLING APPROVALS

The figure below illustrates the proportion of dwelling approvals each type of dwelling represents.

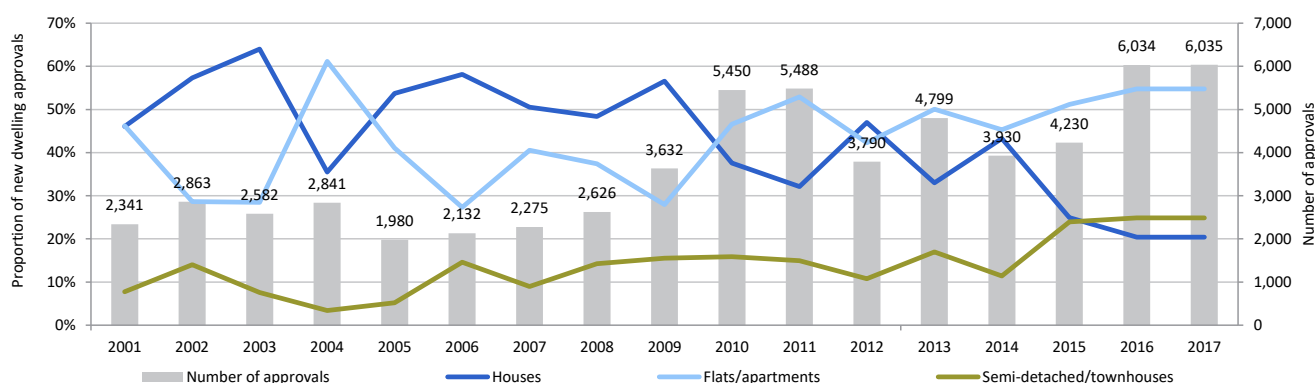
While initially fluctuating higher and lower than the proportion of houses, the proportion of apartments has maintained its position above houses almost every year since 2009.

The proportion of apartments has also increased consecutively over the last three years while houses has decreased over the same period.

Semi-detached houses have been gradually increasing since 2004 and in 2015 exceeded the proportion of houses, but growth has been subdued over the last three years.

The data indicates the number of approvals has been on an upward trend with around 3,700 more approvals in 2017 than in 2001, furthermore it highlights the shift in the market away from separate houses and towards higher density dwelling types.

NEW DWELLING APPROVALS, ACT, 2001 - 2017



Source: Australian Bureau of Statistics, Cat. no. 8731 table 9 – Building Approvals

FIRST HOME BUYERS

The First Home Owner Grant (FHOG) is only available to buyers looking to buy new and substantially renovated homes only, it is not available for purchasing established homes.

The FHOG is only available for properties with a total value of less than or equal to \$750,000.

For buyers purchasing a home after 1 January 2017, the grant amount is \$7,000.

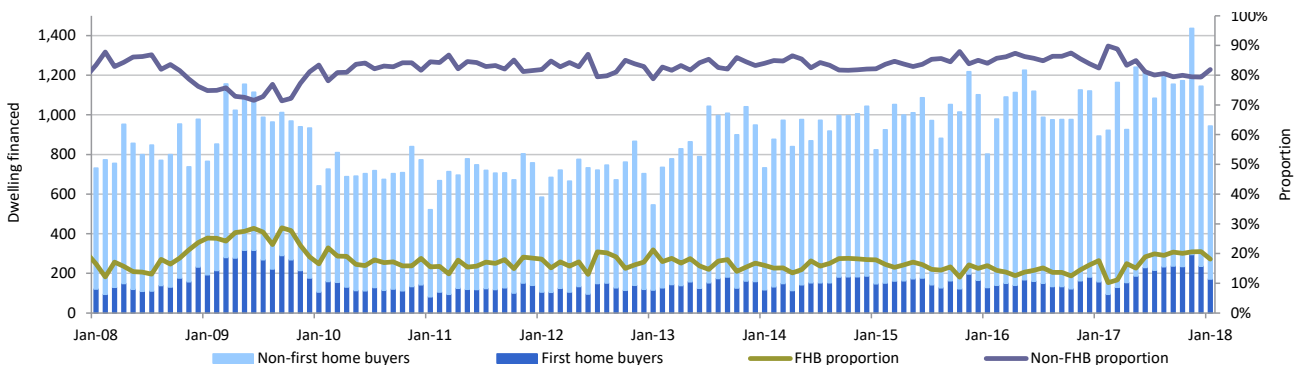
The figure below illustrates the change in the number and proportion of dwellings financed by the type of buyer, in the ACT between January 2008 and January 2018.

The number and proportion of dwellings financed by first home buyers over the period has been relatively stable.

In 2017 the average number of dwellings financed by first home buyers was 200, above the average over the period of 156. In January 2018 the proportion was 18.1 per cent, compared with the 2008 level of 13.8 per cent.

Looking forward MacroPlan expects the number of dwellings financed by first home buyers to gradually return to the long term average of 156.

NUMBER OF DWELLING FINANCED IN THE ACT BY TYPE OF BUYER, 2008 - 2018



Source: Australian Bureau of Statistics, Cat. no. 5609 table 9 – Housing Finance

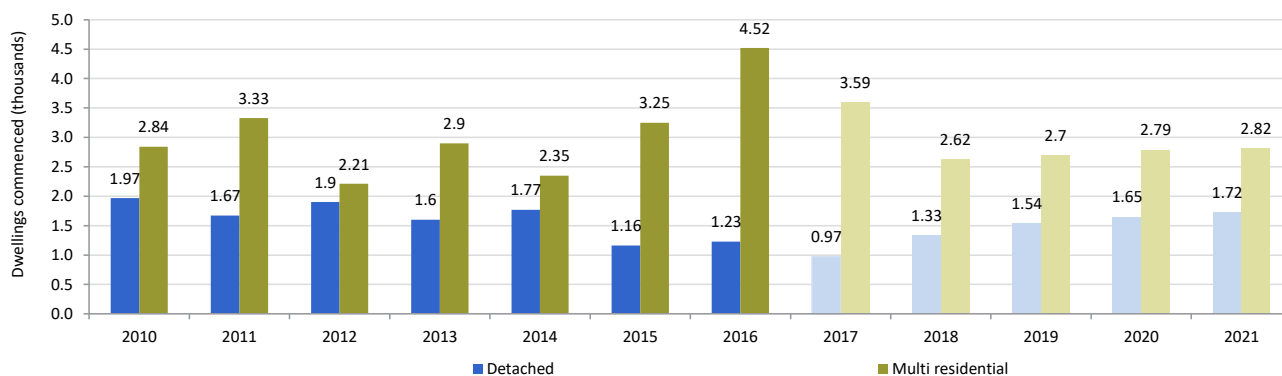
HOUSING STARTS FORECAST

The figure below illustrates the historical and forecast number of dwellings commenced in the ACT.

The forecast is produced by the Housing Industry Association and estimates commencements of detached houses to have decreased in 2017 and will then increase at an average annual 15.4 per cent to 1,720 in 2021.

Commencements of multi residential dwellings are expected to decrease to 2,620 in 2018 and then gradually increase to 2,820 by 2021.

NUMBER OF DWELLING FINANCED IN THE ACT BY TYPE OF BUYER, 2007 - 2017

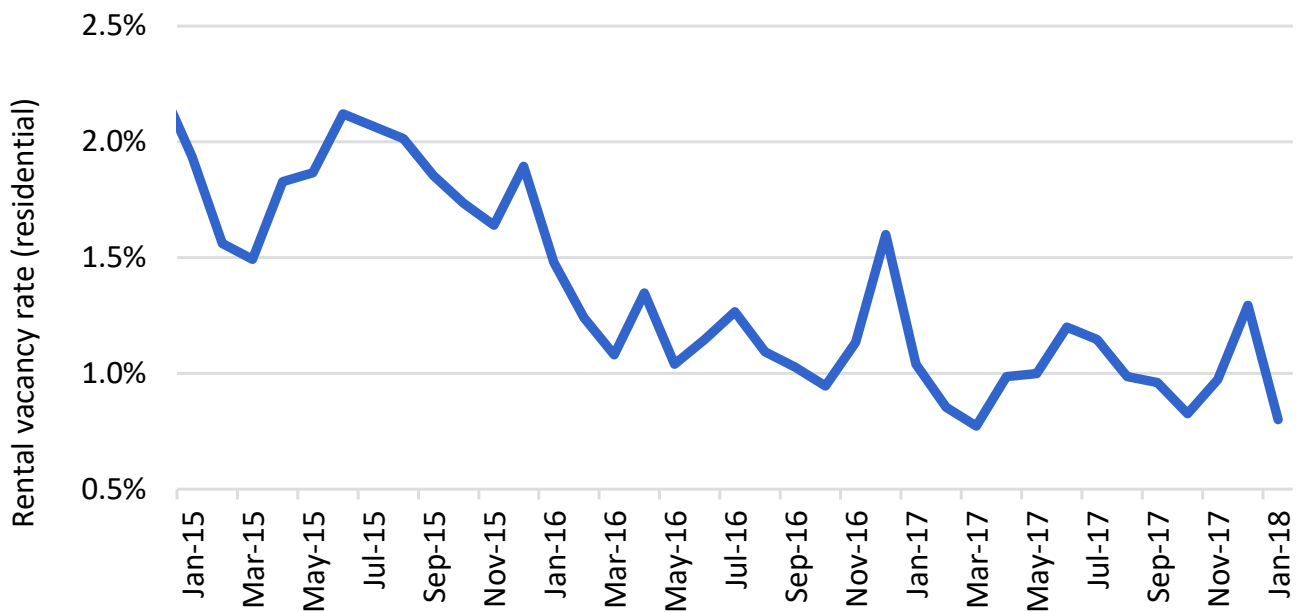


Source: Housing Industry Association – ACT Housing Starts Forecast

VACANCY RATES AND RENTAL GROWTH

The figure below illustrates vacancy rates in Canberra have been on a downward trend over the last three years. The current rate is 0.8 per cent, which indicates strong demand given the national rate is 2.2 per cent.

CANBERRA VACANCY RATE, 2015 - 2018



Source: SQM Research

From 2009 to 2012 rents grew to a peak of \$600/week for houses and \$430/week for units. This was followed by falling rents to 2015. As vacancy rates began to fall from 2015 rents have risen to the currently level of around \$620/week for houses, up from \$500 in 2009 and for units is around \$440/week, up from \$370 in 2009.



Dwelling prices

DWELLING PRICES

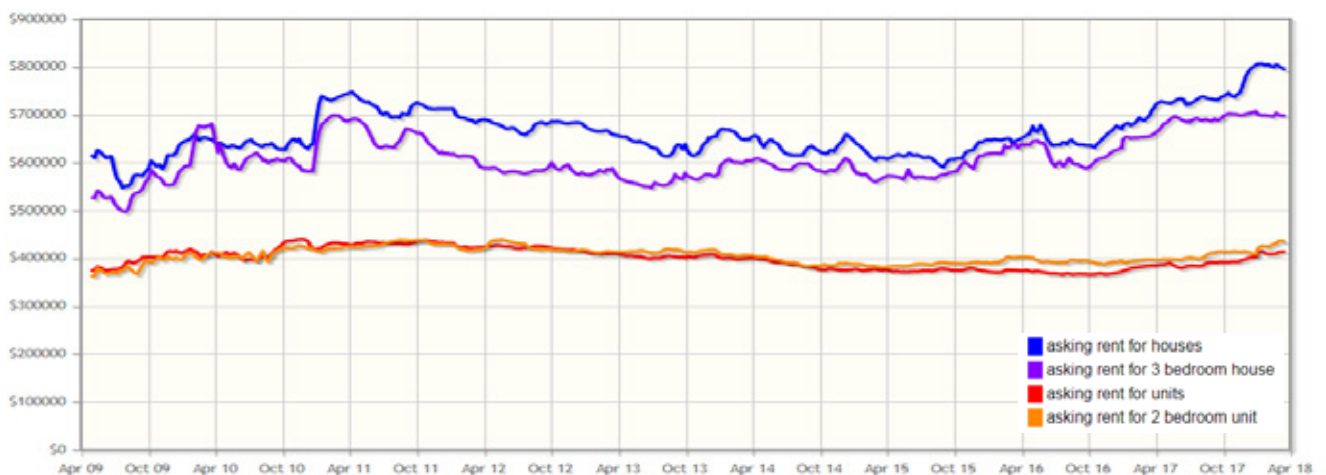
The figure below illustrates property prices in Canberra by property type.

Asking prices for houses grew in 2009 before decreasing moderately in early 2010, growth returned in late 2010 shortly before prices again fell to a low of \$620,000 in 2013 but have since trended upwards to around \$800,000 in 2018.

Unit prices have been steadier over the period, but also saw a downward trend between 2012 and 2014. Since then prices have recovered and are currently around \$410,000 up from around \$370,000 in 2009.

The gap between house and unit prices is notably larger than in rents.

CANBERRA WEEKLY ASKING PROPERTY PRICES, 2009 - 2018



Source: SQM Research

Future residential supply

CONSTRUCTION AND PIPELINE SUPPLY

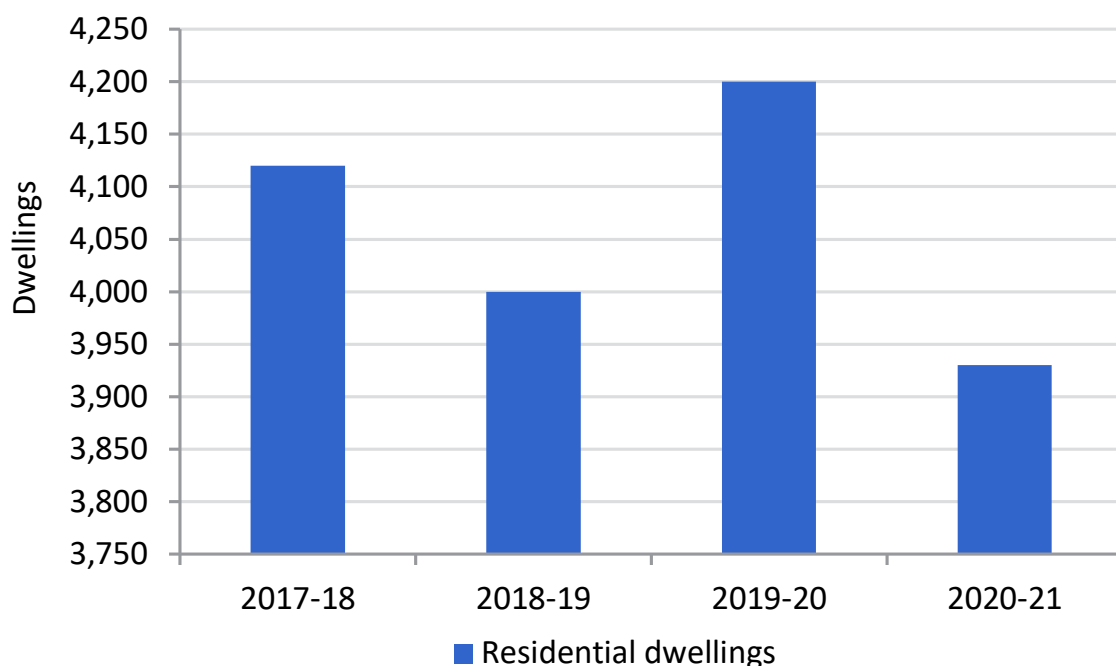
According to the ACT Land and Property Report, September 2017 there are around 1,100 dwellings currently undergoing construction and 3,500 dwelling sites waiting for construction to start.

Furthermore, there are around 13,300 dwellings in the developer's pipeline, including some 2,300 dwelling sites undergoing land servicing.

The State Land Agency has also released englobo land for up to 600 dwellings in Denman Prospect.

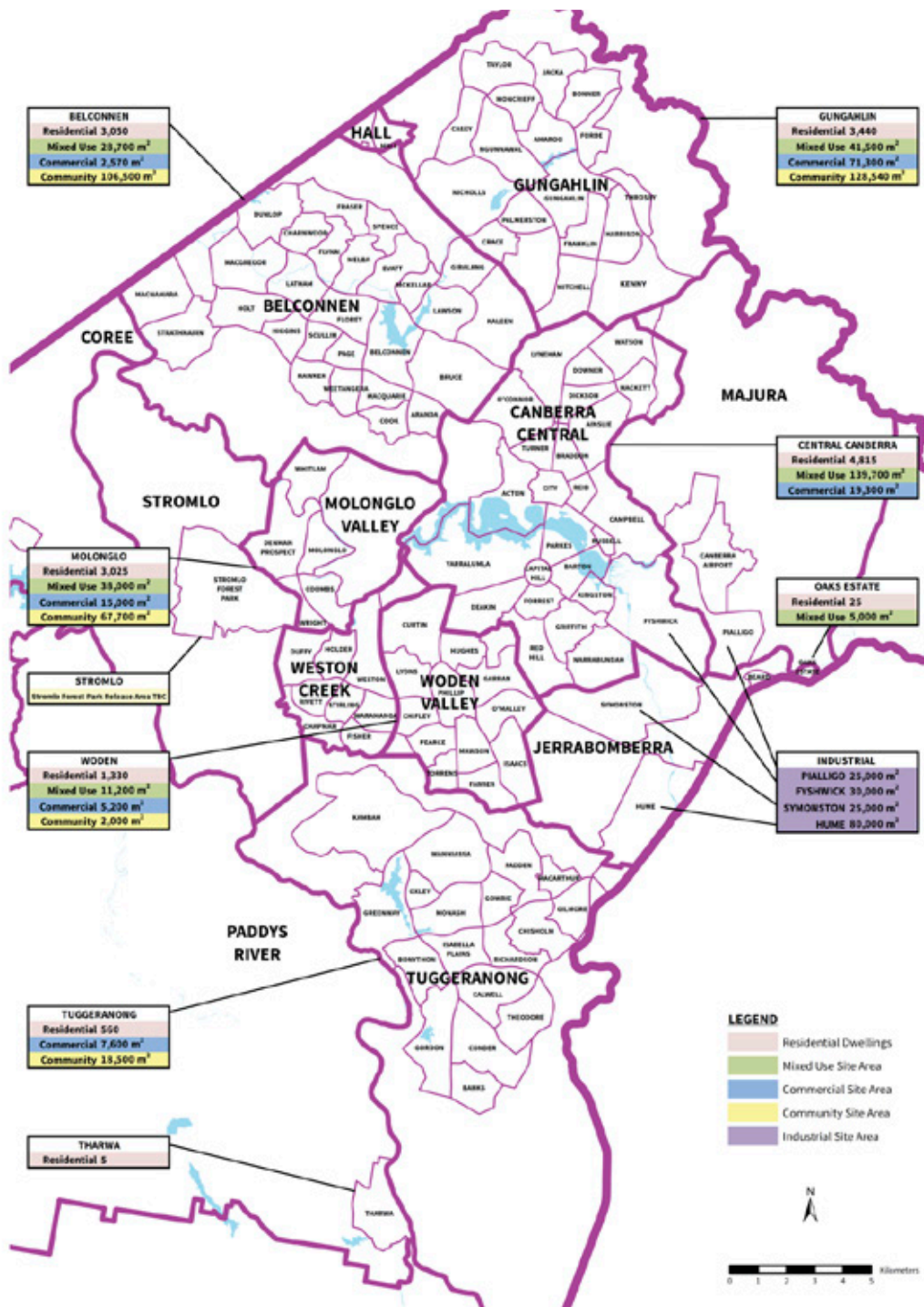
This high level of activity is partly the result of an increase in planning activity in the inner north that occurred in 2015 after the Government committed to light rail.

INDICATIVE LAND RELEASE SCHEDULE, 2017-21



Source: Department of Environment, Planning and Sustainable Development - Land and Property Report, 2017

INDICATIVE MAJOR LAND RELEASES, 2017-21



INFRASTRUCTURE

Major projects

ACT BUDGET 2017-18

The Government is investing \$3.0 billion in physical and digital infrastructure in the ACT over the four years to 2020-21.

The ACT Government's 2017-18 Infrastructure Investment Program has three main components:

- The Capital Works Program (\$1.9 billion)
 - Infrastructure provisions totaling \$702 million over the four years to 2020-21.
- Capital provisions (\$702 million)
- Projects undertaken as Public Private Partnerships (\$344 million). - A total of \$344 million will be invested over the three years to 2019-20 in the new ACT Law Courts facilities and Light Rail – Stage 1. This will bring the total investment in these projects to \$867 million.

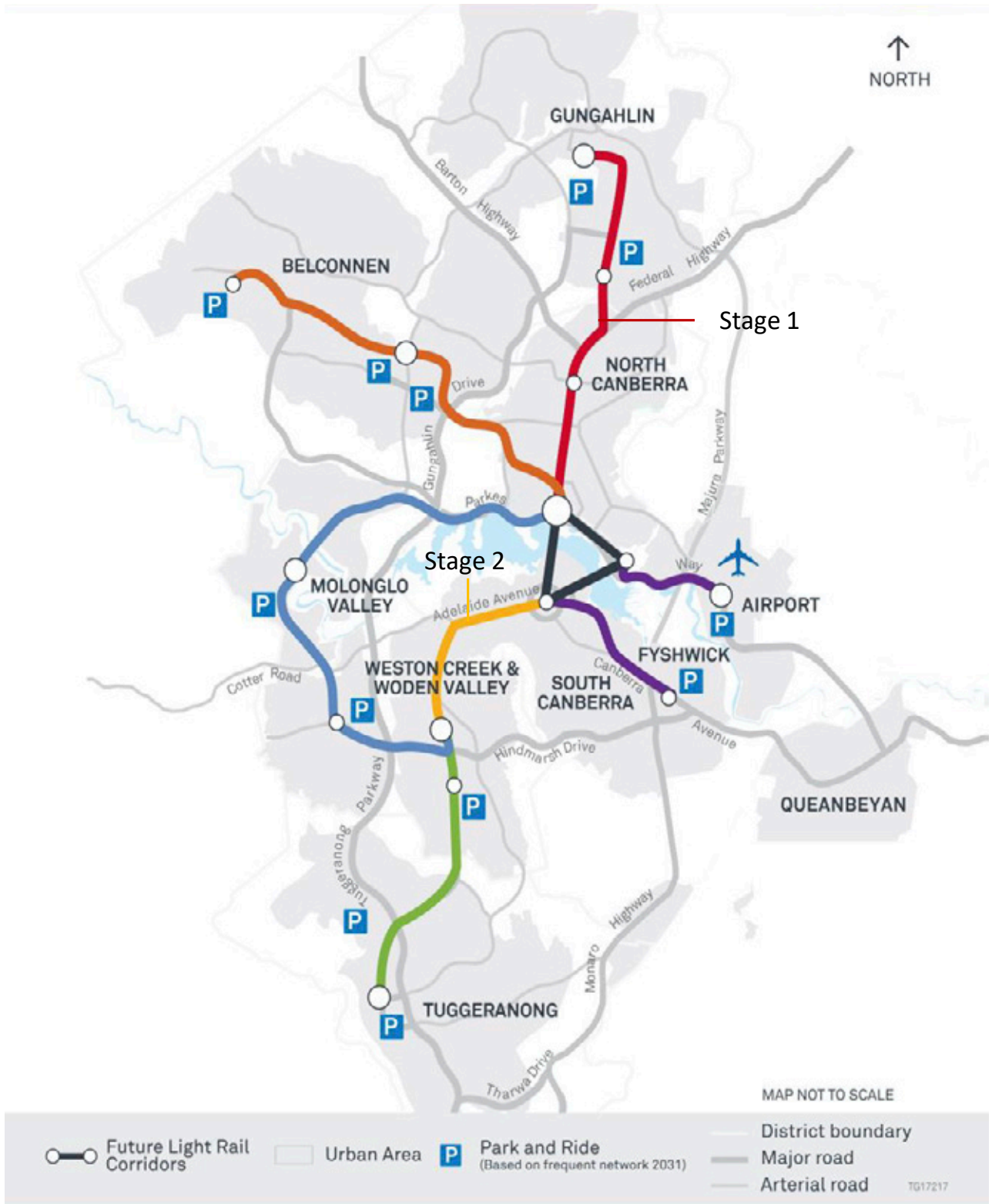
Furthermore the ACT Government has indicated it will spend \$17.6 million in design and procurement for Stage 2 of the Light Rail project, connecting the City to Woden. (see figure on the right)

FEDERAL BUDGET 2017-18

The federal government has committed to spending \$440 million in infrastructure in the ACT through its Infrastructure Investment Program. The components of the program are listed below.

- Black Sports Projects
- Bridges Renewal Program
- Heavy Vehicle Safety and Productivity Program
- Road Component
- Roads to Recovery
- Asset Recycling Initiative
- Interstate Road Transport

LIGHT RAIL MASTER PLAN



Airport movements

FLIGHT MOVEMENTS

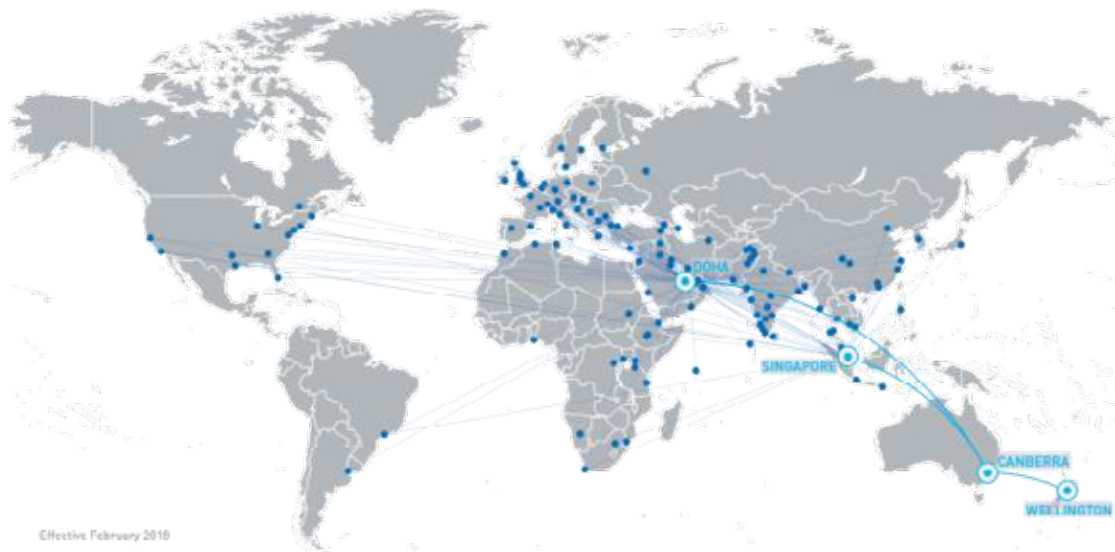
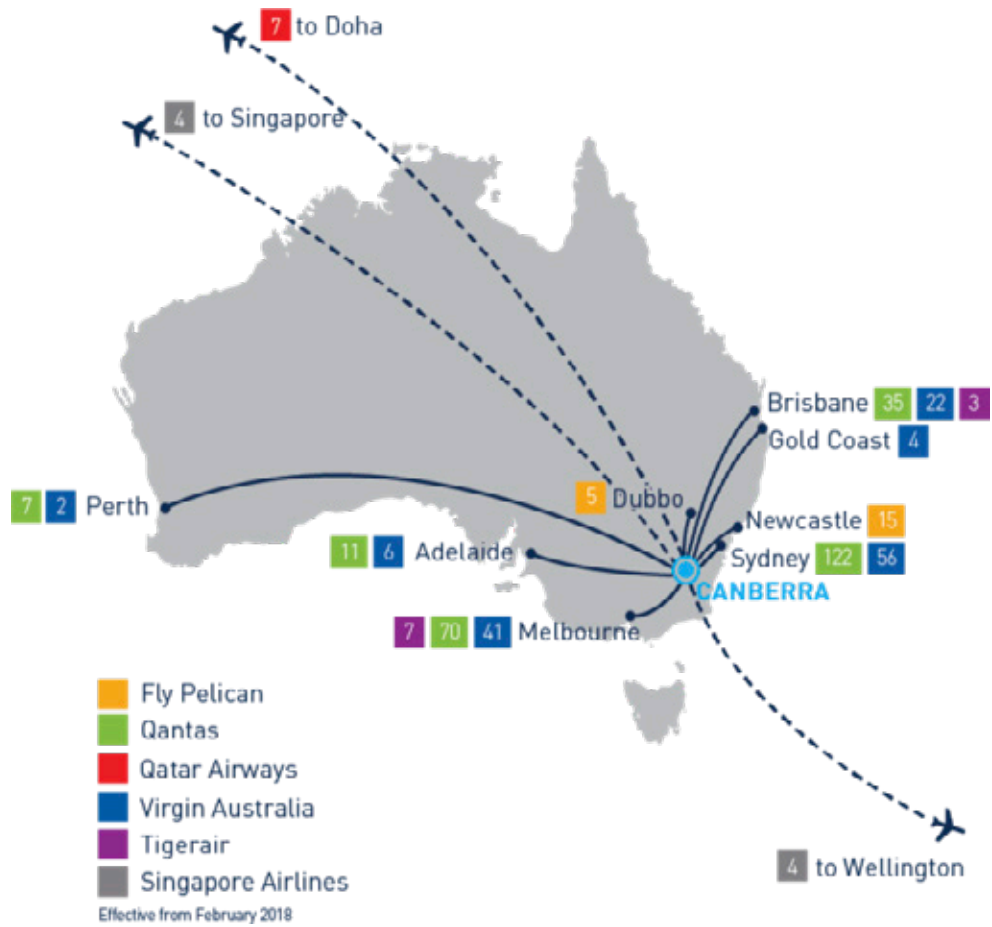
The figure on the right illustrates the number of weekly flights to destinations that have direct flights from Canberra Airport.

Canberra has three direct international flight routes, weekly there are seven to Doha by Qatar Airways and four to both Singapore and Wellington by Singapore Airlines .

In 2017 the airport serviced around 84.4 thousand international passengers, up from just 23.8 thousand in 2016.

Domestically the airport serviced around 3 million passengers in 2017, up from 2.9 million in 2016.

The figure on the right illustrates the destinations passengers are able to connect to via the Doha and Singapore flights from Canberra Airport.



COMPETITIVE ADVANTAGE

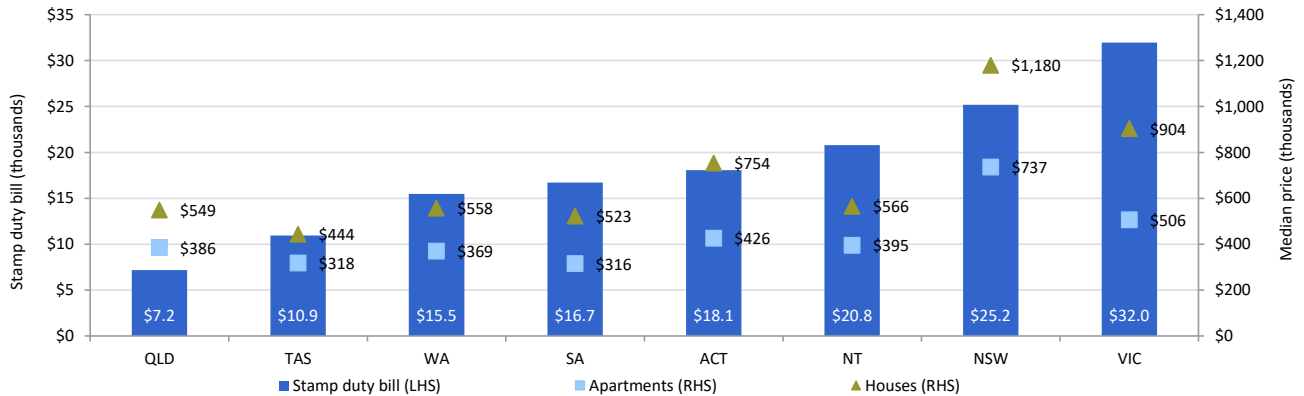
Stamp duty

STATE COMPARISON

Stamp duty in the ACT is barrier free and tax deductible within the first year of purchase

The typical stamp duty bill for owner occupier (non-first home buyers) in the ACT was lower than New South Wales and Victoria in December 2017 according to Housing Industry Association research.

TYPICAL STAMP DUTY BILL BY STATE AND MEDIAN APARTMENT AND HOUSE PRICES BY CAPITAL CITY, DECEMBER 2017



Note: Median prices are for the capital cities of each state

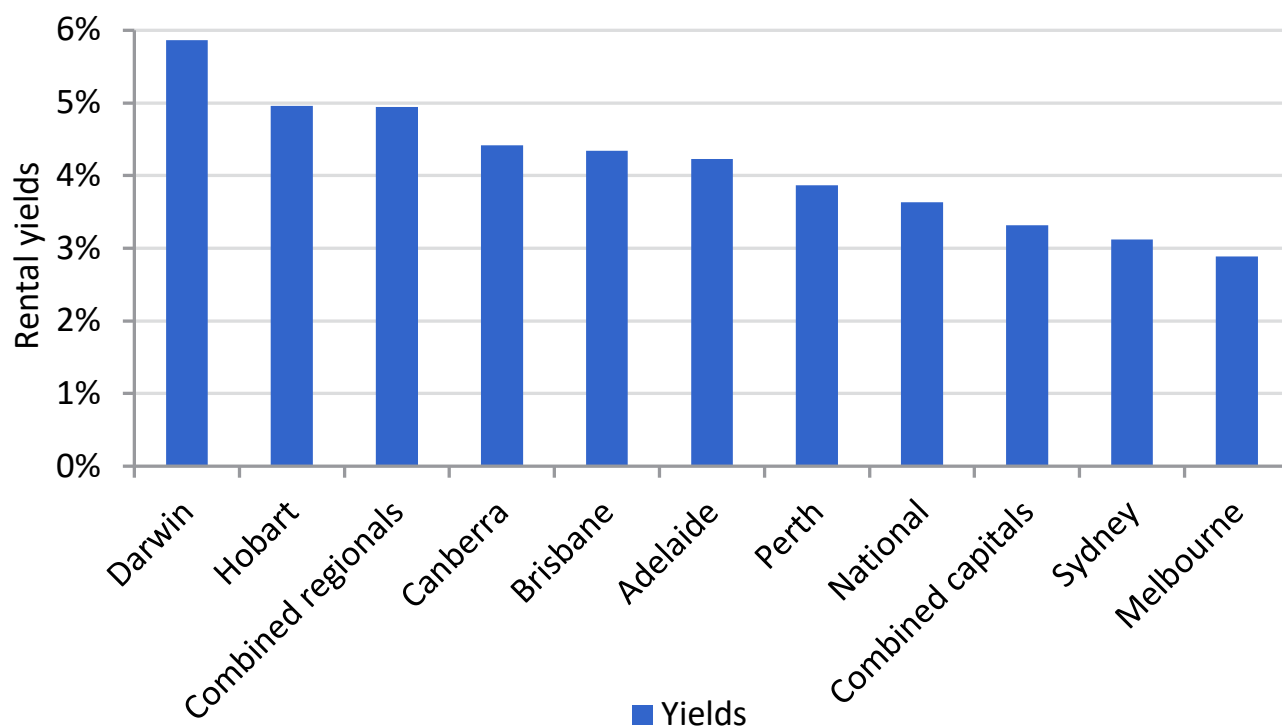
Source: Housing Industry Association – Stamp Duty Watch Summer 2018, Domain – State of the Market December 2017

Yields

YIELD COMPARISON

Rental yields in Canberra are the third highest in the country, higher than Sydney, Melbourne and Brisbane.

RESIDENTIAL YIELDS, DECEMBER QUARTER 2017



Source: Core Logic

EDUCATION

UNIVERSITY TOWN

Besides being the city with the highest educated residents in Australia, Canberra is also ranked as the 22nd best student city in the world, and third best in Australia behind Melbourne and Sydney in the latest QS Best Student Cities Rankings. Home to six university campuses;

- Australia National University (ANU), Acton
- University of Canberra, Belconnen
- University of New South Wales, Campbell
- Charles Sturt University, Barton
- Australian Catholic University, Watson
- Australia National University Medical School, Garran

The figure below illustrates the CBD student population in each capital city in Australia. Despite being a relatively small city North Canberra hosts the third largest student population in Australia.

The 2017 Savills Student Accommodation Market Report indicated there were 27,928 university students living in Canberra in 2015 and 28.2 per cent of these students were living in non-private dwellings (student accommodation, hotels etc.) while 71.8 per cent were living in private dwellings (renting or living at home).

The education and training sector contributed \$2.1 billion to the State's economy in 2016-17, 6.2 per cent of total GSP.

RELATIVE SIZE OF STUDENT POPULATIONS IN INNER CITY AREAS, 2016



Source: Australian Bureau of Statistics, 2016 Census of Population and Housing (based on data for Statistical Area 3 boundaries for inner cities as at 2016)

CULTURE AND LEISURE

CULTURE

Canberra is home to an abundance of culture and art, within its museums and galleries are collections of national and international acclaim as well as local works.

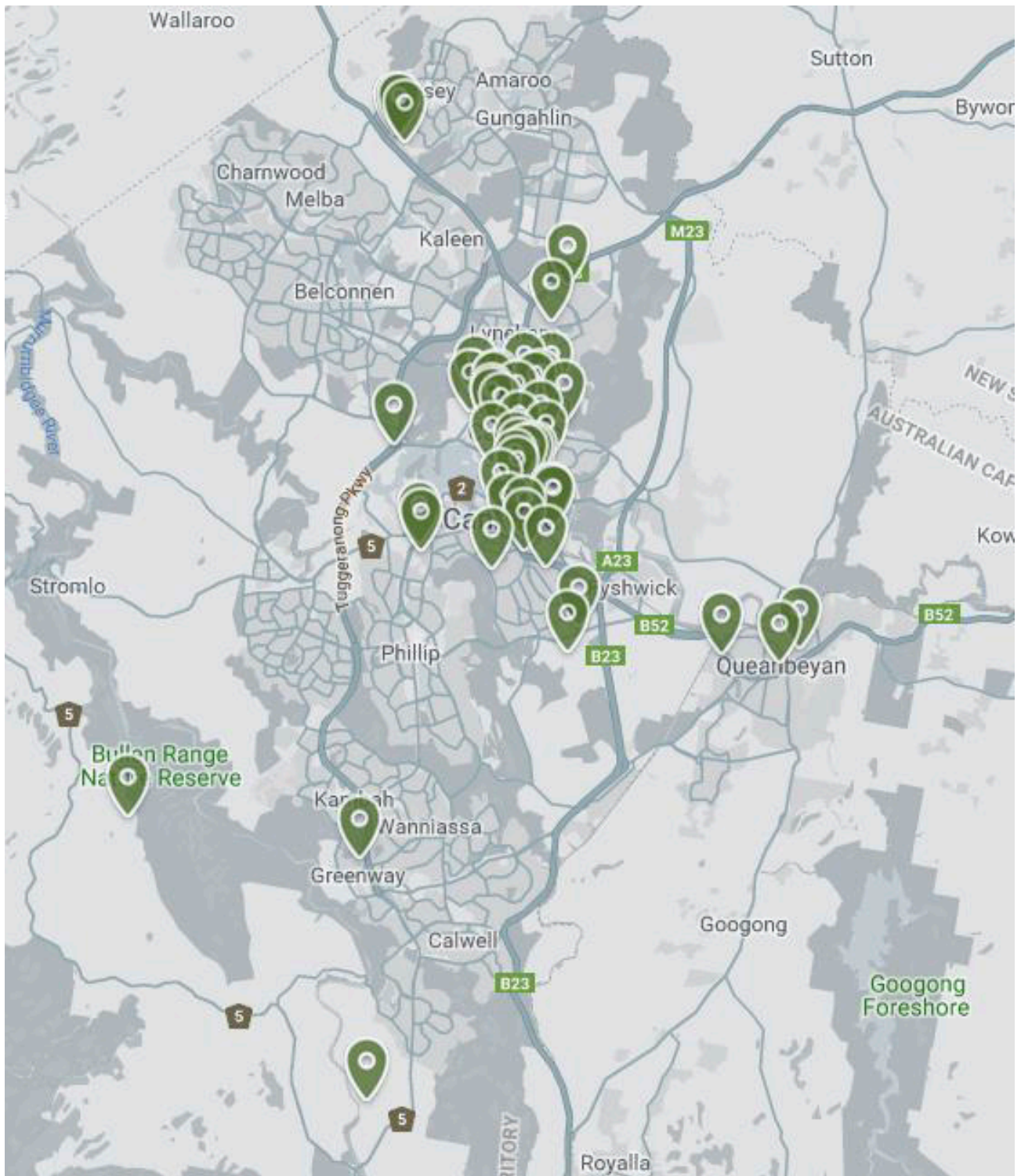
The National Gallery of Australia hosts the largest collection of Aboriginal and Torres Strait Islander artworks in the world. The Canberra Museum is home to the Foundation Collection of Sir Sidney Nolan's paintings and a Standing legacy to Canberra's earliest settlers at Blundell's Cottage.

Other culturally significant destinations include the Australian War Memorial, National Portrait Gallery, Australian National Botanic Gardens and the Museum of Australian Democracy.

NATIONAL GALLERY OF AUSTRALIA



MUSEUMS AND GALLERIES IN AND AROUND CANBERRA



Source: VisitCanberra.com.au

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LEISURE

Canberra is home to around 60 sport clubs for a variety of different sports from, soccer, football and cricket to Dragonboat racing, orienteering and fencing. Canberra has 10 sporting venues that can accommodate basketball, football, rugby, baseball, soccer, ice hockey and athletics

The ACT has some of the best mountain bike trails in Australia. All mountain bike park trails are over 20km long and well maintained. Some of the most popular trails include:

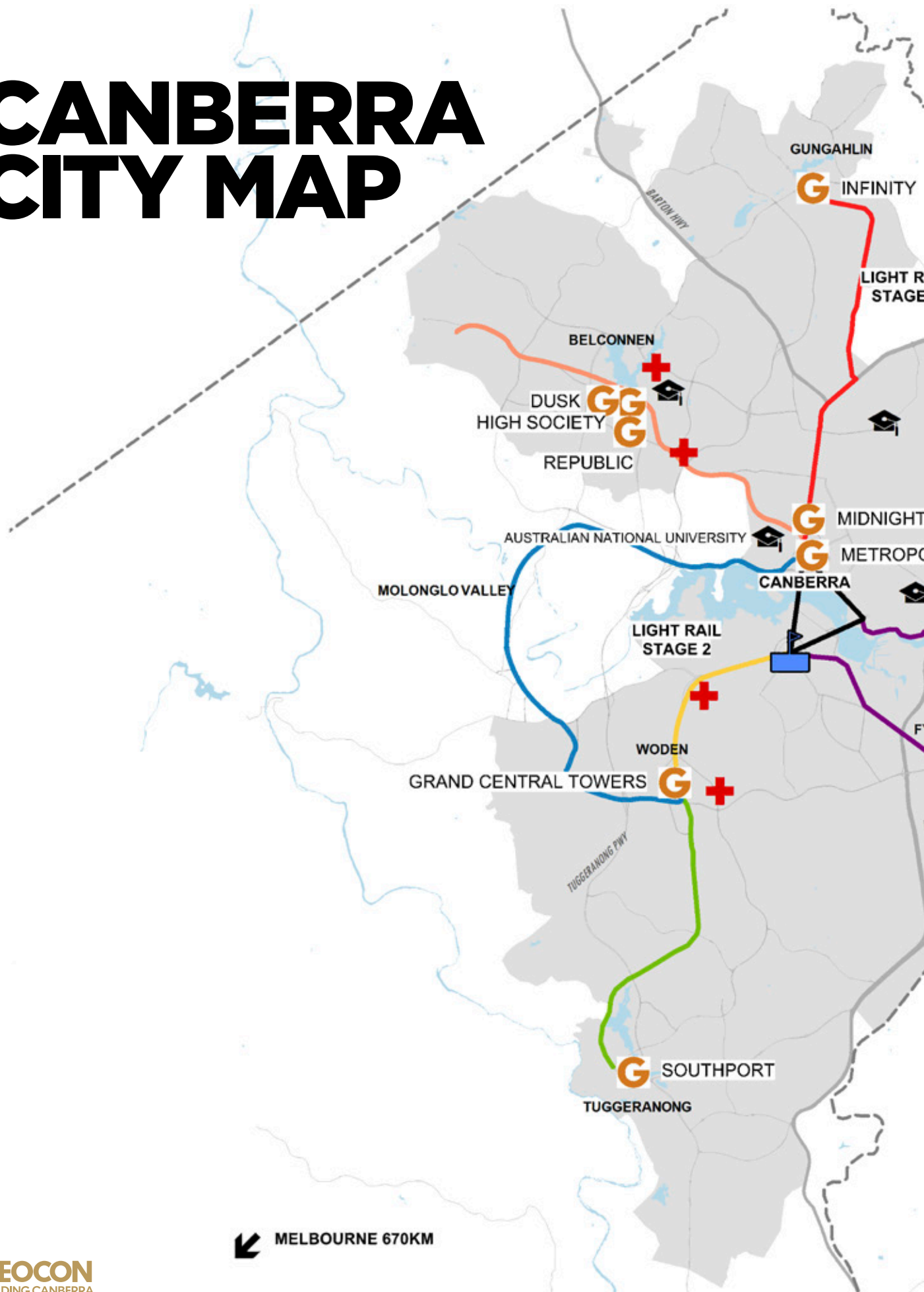
- Mt. Stromlo.
- Bruce Ridge.
- Sparrow Hill.
- Tidbinbilla.
- Majura Pines.
- Tuggeranong Pines.
- One Tree Hill.
- Murrumbidgee River.
- Canberra Centenary Trail.

Canberra boasts some of the best restaurants and cafes in Australia, such as Chairman & Yip, Pomegranate, Aubergine, Akiba, Bar Rochford and Benchmark Wine Bar.

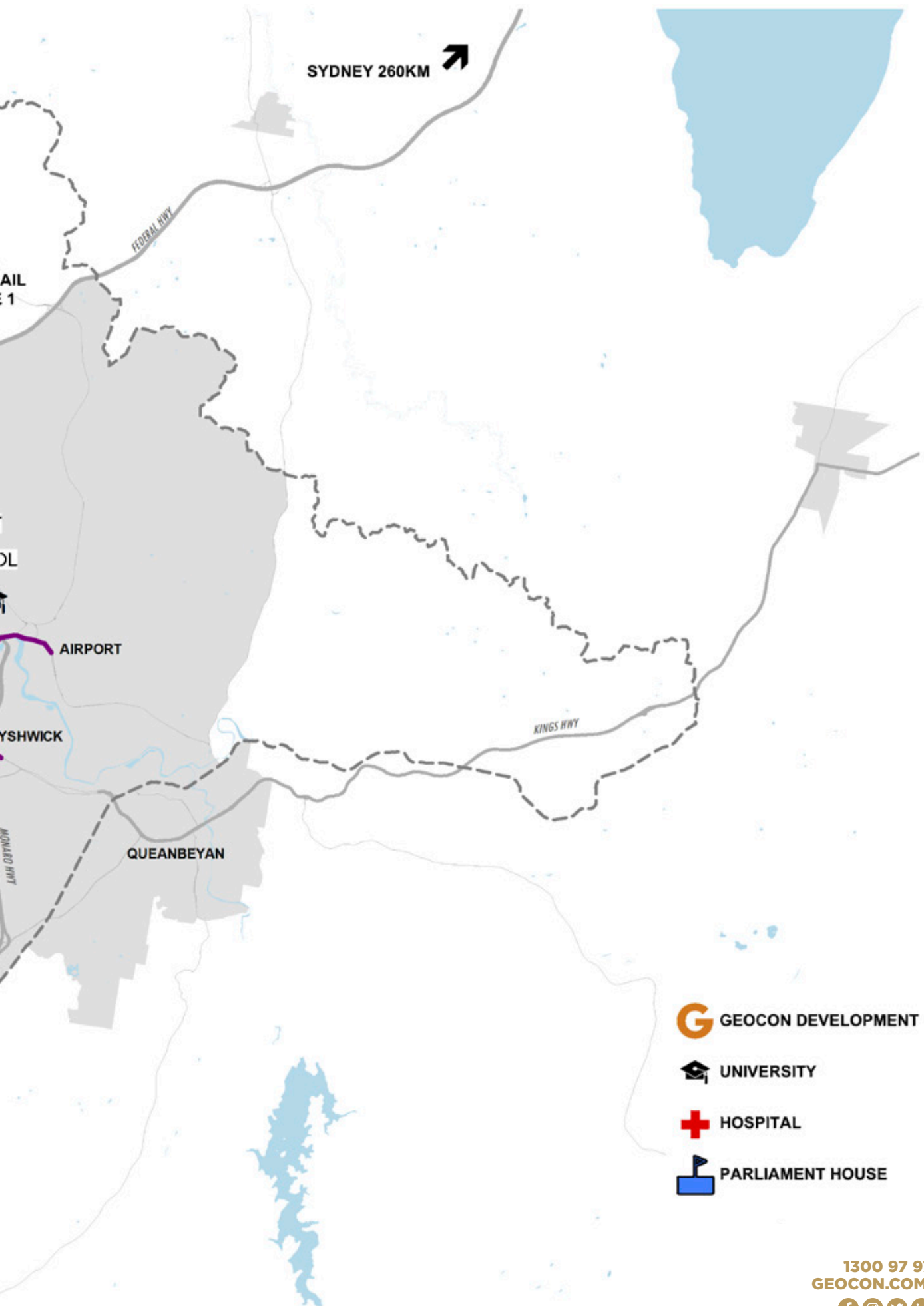
CANBERRA MOUNTAIN BIKE PARKS



CANBERRA CITY MAP



↙ MELBOURNE 670KM



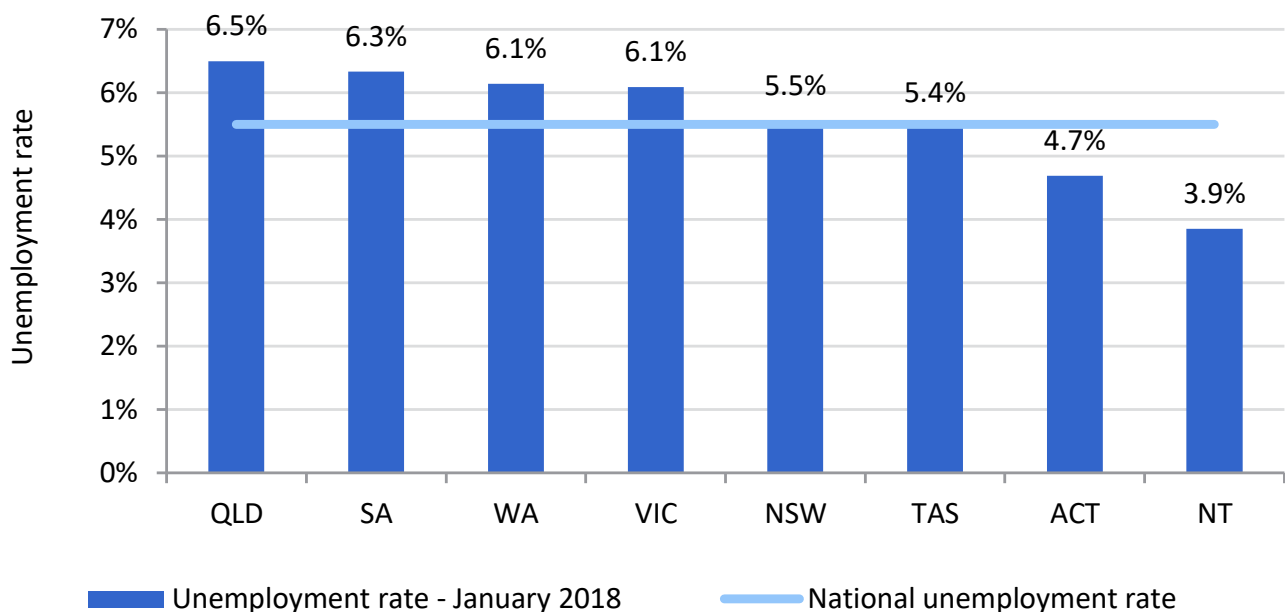
NORTH CANBERRA PROFILE

POPULATION GROWTH

The figure below illustrates population projections for North Canberra.

North Canberra is expected to grow by an average annual 1.5 per cent to 2041, from around 53,000 residents in 2016 to 78,700 residents in 2041.

UNEMPLOYMENT RATE BY STATE, JAN 2018



Source: Australian Bureau of Statistics, Cat. no. 6202 – Labour Force

METROPOL/CITY 7 STAGE 2

This Geocon project located in North Canberra delivers 247 units including one, two and three-bedroom apartments and penthouses.

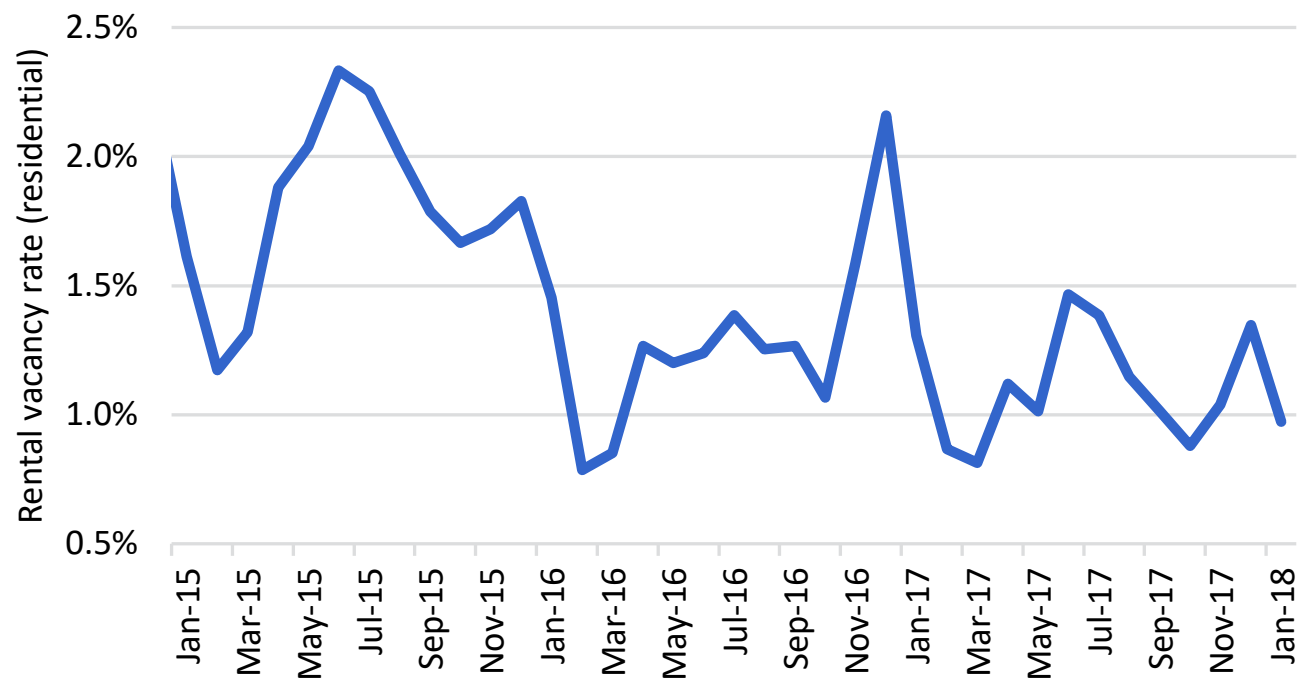
Due to be completed by mid-2020 the development features two-storey terraces with courtyards available, designed for residents to have an office downstairs and their living space upstairs. Other features include an infinity edge pool and bar, rooftop terrace and hanging garden.



HOUSING DEMAND

The figure below illustrates vacancy rates in North Canberra have been on a downward trend since 2015 and currently at 1.0 per cent. While this is slightly above the Canberra wide rate of 0.8 per cent, it indicates strong demand given the national rate is 2.2 per cent.

NORTH CANBERRA VACANCY RATES, 2015 - 2018



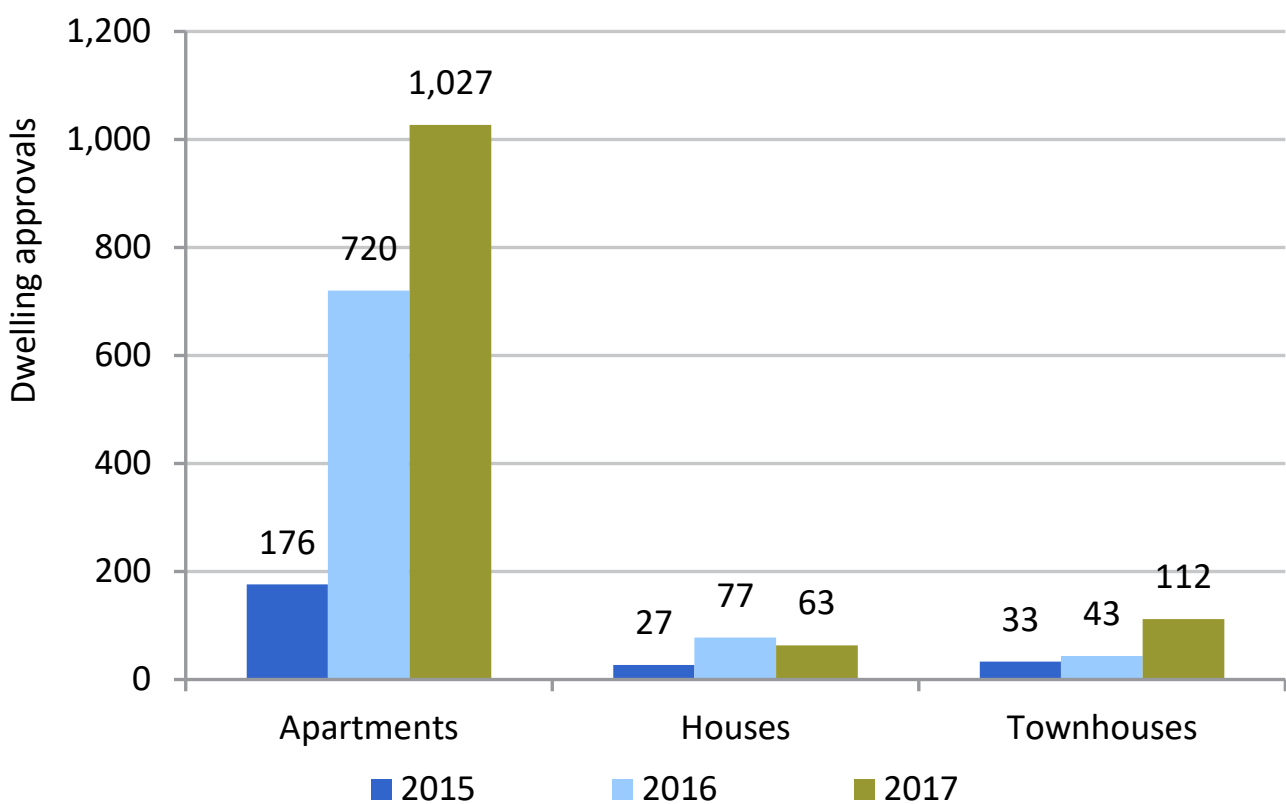
Source: SQM Research

The figure on the right illustrates the number of new dwelling approvals in North Canberra between 2015 and 2017.

Demand for apartments has dramatically increased over the period, increasing by almost 600 per cent to 1,027 in 2017.

Demand for townhouses has also increased in 2016 but fell slightly in 2017.

DWELLING APPROVALS BY DWELLING TYPE, NORTH CANBERRA 2015 - 2017



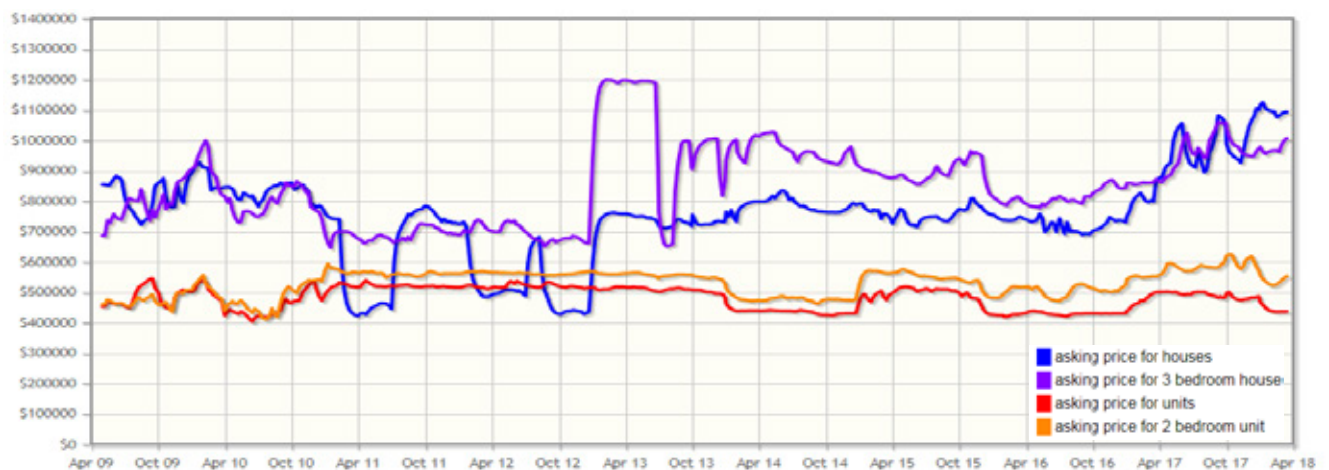
DWELLING PRICES

The figure below illustrates property prices in North Canberra by property type.

The asking price for houses falls in early 2011 and 2012 as well as mid 2012. Since then prices have steadily climbed to around \$1.1 million.

Unit prices have been steadier over the period, but prices have fallen from around \$4650,000 in 2009 to \$450,000 in 2018. Two bedroom units however have seen asking prices increase, from around \$465,000 in 2009 to around \$565,000 in 2018.

NORTH CANBERRA WEEKLY ASKING PROPERTY PRICES, 2009 - 2018



Source: SQM Research

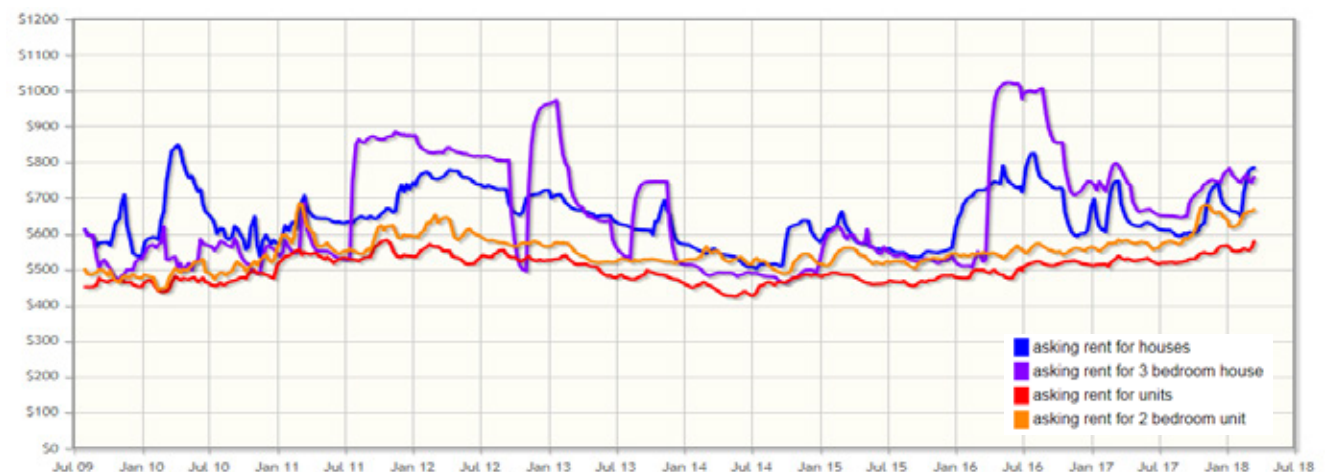
RENT GROWTH

The figure below illustrates rents in North Canberra by property type.

Weekly rents for houses has been quite volatile, particularly in the 3 bedroom house market over the period between 2009 and 2018. The market has experienced short periods of strong growth that are followed by longer periods of negative growth. Over the last 12 months the trend has been upwards with rents currently sitting at around \$790, up from \$580 in 2009.

Unit rents have been much more stable, following a similar trend seen in Belconnen and Woden, between 2009 and 2012 rents rose before falling around \$430 in mid 2014 and has since recovered to around \$585 in 2018.

NORTH CANBERRA WEEKLY RENTS, 2009 - 2018

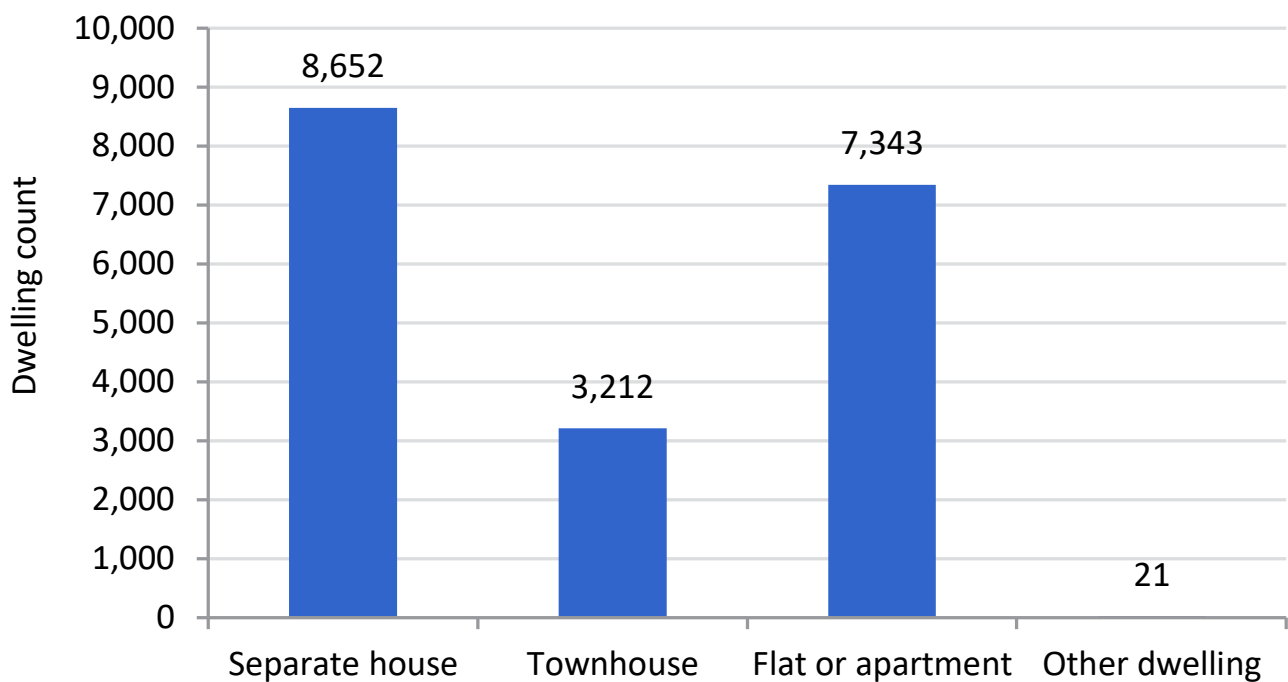


Source: SQM Research

EXISTING RESIDENTIAL SUPPLY

The figure below illustrates the existing supply of dwellings by dwelling type. There were a total of 19,228 dwellings in North Canberra in 2016, there was a similar number of separate houses and flat/apartments, 8,652 and 7,343 respectively while there were 3,212 semi-detached/townhouses.

EXISTING DWELLING SUPPLY BY DWELLING TYPE, NORTH CANBERRA 2016



Source: Australian Bureau of Statistics – Census 2016

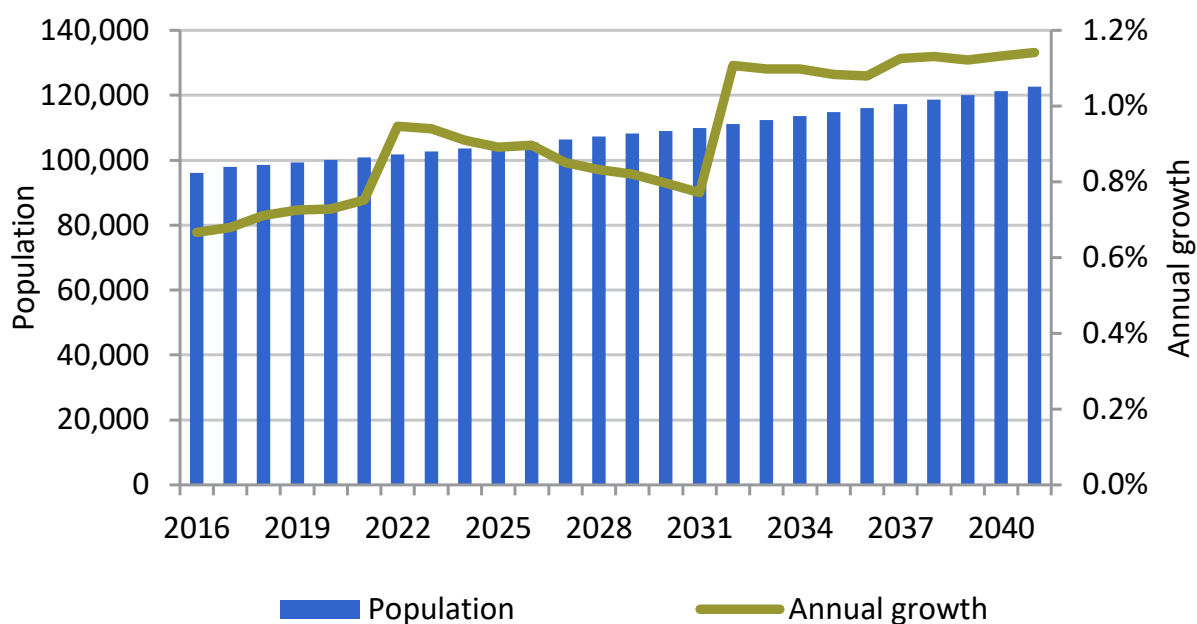
BELCONNEN PROFILE

POPULATION GROWTH

The figure on the right illustrates population projections for Belconnen.

Belconnen is expected to grow by an average annual 1.5 per cent to 2041, from around 96,000 residents in 2016 to 122,700 residents in 2041.

BELCONNEN POPULATION PROJECTIONS,
2016 - 2041



Source: Australian Bureau of Statistics – Census 2016, Australian Capital Territories Treasury Department - ACT Population Projections: 2017 - 2041

REPUBLIC PRECINCT

The Republic project by Geocon will deliver Canberra's largest mixed-use development.

The project is to be staged over roughly 10 years in three stages.

The first tower at 14-storeys will house 213 apartments of mostly one and two-bedroom configurations, while 10 per cent will have three bedrooms. Construction has begun and completion is expected around January 2019.

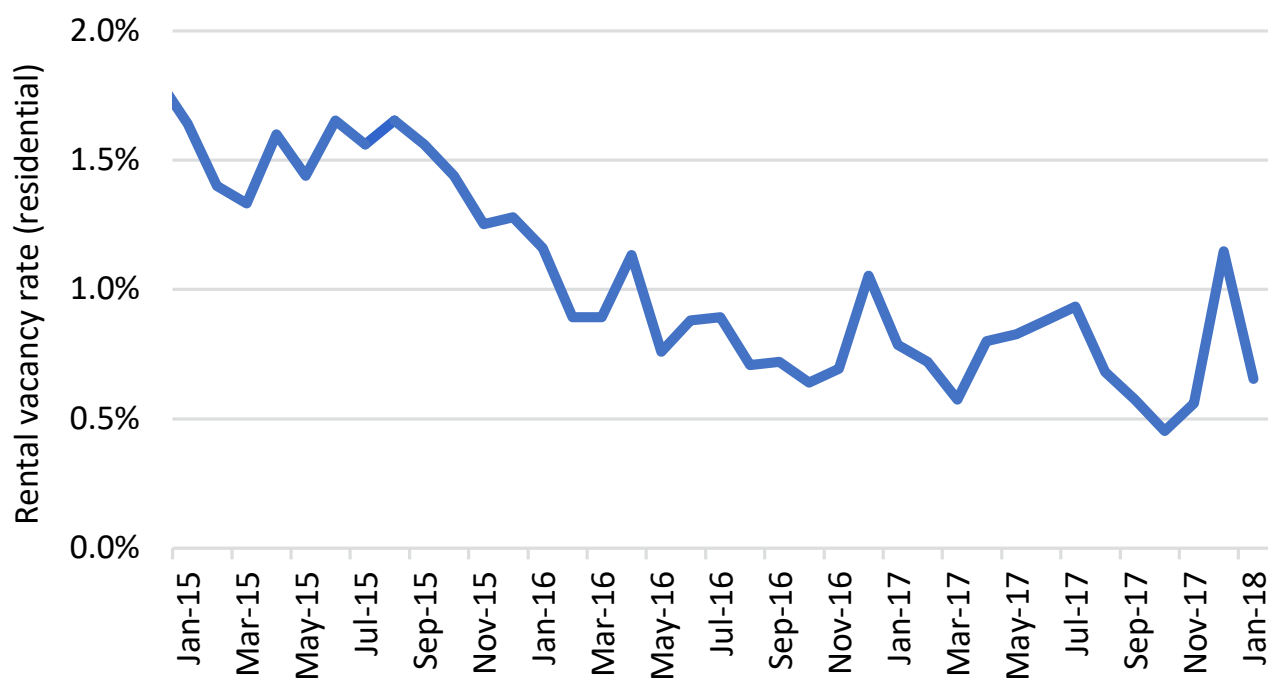
The precinct will feature a 130-room Abode Hotel, serviced apartments, harvest market, gastropub, deli, café, distillery, tapas bar and a public car park.



HOUSING DEMAND

Vacancy rates in Belconnen have been less volatile than in North Canberra. The figure on the right indicates that demand for housing has been increasing steadily over the last three years and at 0.7 per cent, is currently below the Canberra rate of 0.8 per cent and well below the national rate of 2.2 per cent.

BELCONNEN VACANCY RATES, 2015 - 2018



Source: SQM Research

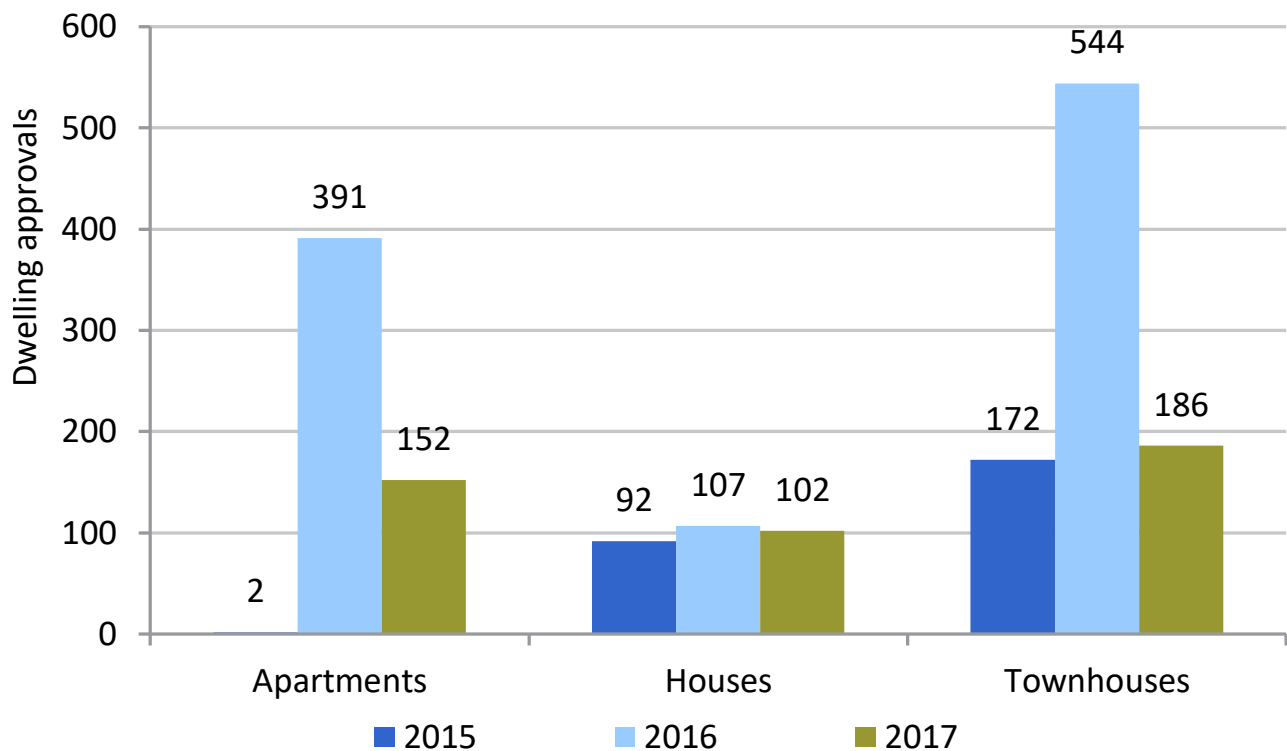
The figure on the right illustrates the number of new dwelling approvals in Belconnen between 2015 and 2017.

In 2016 there was a dramatic increase in townhouse and apartment approvals , but fell back to moderate levels in 2017.

In 2016 there was strong demand for apartment and townhouse type dwellings with approvals soaring above 2015 levels to 391 and 544 respectively, over 2017 however approvals have dropped back down, though still above 2015 levels.

Demand for houses has remained stable over the period.

DWELLING APPROVALS BY DWELLING TYPE, BELCONNEN 2015 - 2017



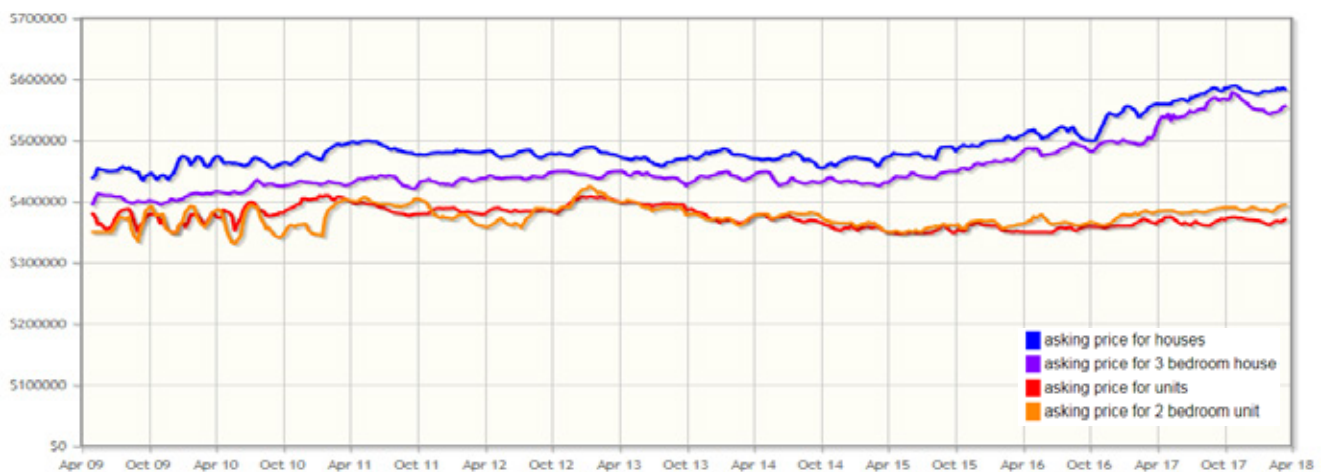
DWELLING PRICES

The figure below illustrates property prices in Belconnen by property type.

The asking price for houses has been steadily growing since 2009, and in April 2015 the pace of growth increased, asking prices are currently around \$590,000

Unit prices have been steadier over the period, but prices are down from \$390,000 in 2019 to \$380,000 in 2018. Two bedroom units however have seen prices increase moderately from \$350,000 to \$395,000 over the period.

BELCONNEN WEEKLY ASKING PROPERTY PRICES, 2009 - 2018



Source: SQM Research

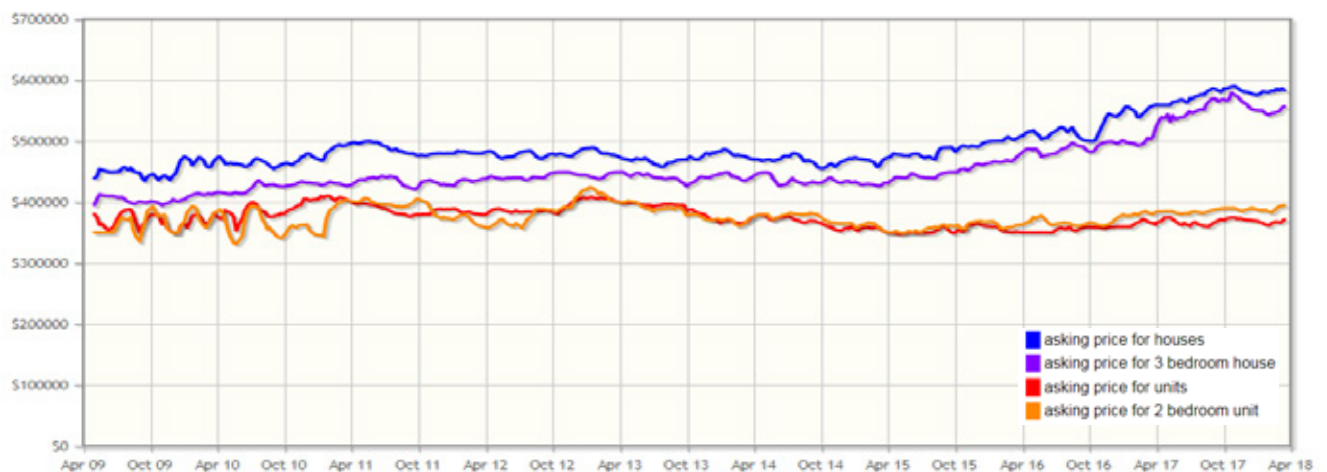
RENT GROWTH

The figure below illustrates rents in Belconnen by property type.

Weekly rents for houses decreased between 2012 and 2015 after two years of growth between 2009 and 2011. Since then rents have been rising steadily and are now around \$620.

Unit rents have followed a similar trend to houses but to a lesser degree, currently at around \$450 across all units and \$465 for 2 bedroom units.

BELCONNEN WEEKLY RENTS, 2009 - 2018

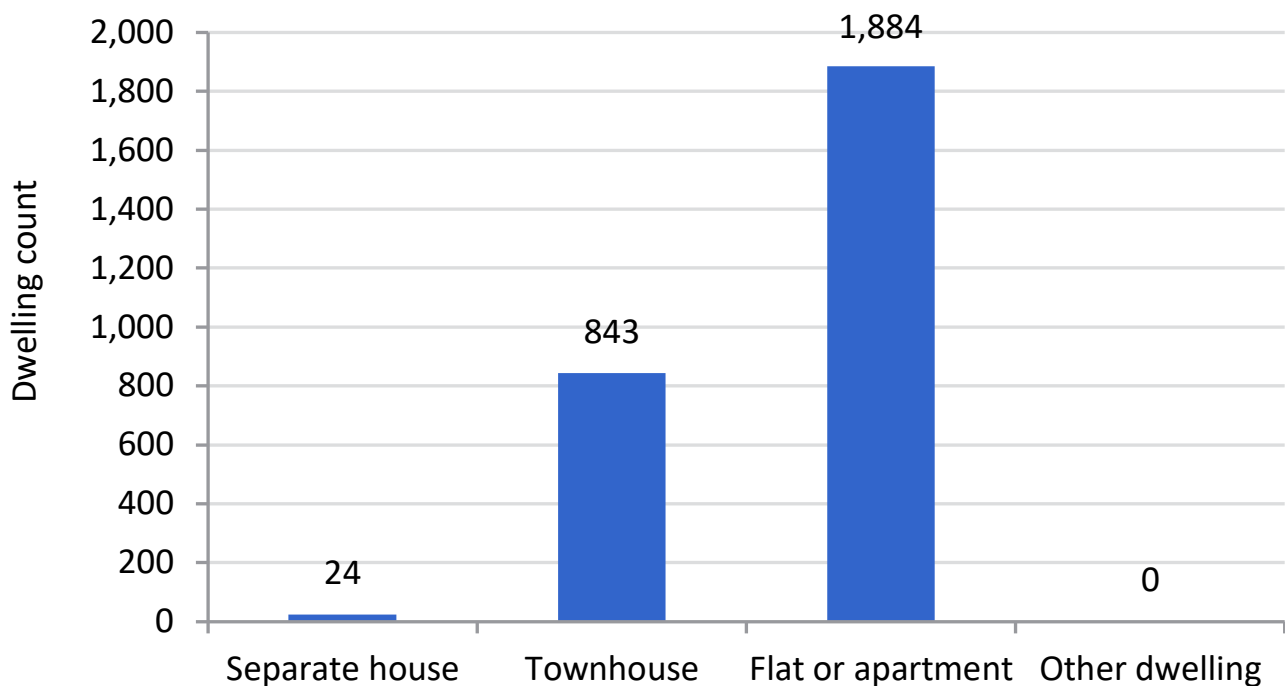


Source: SQM Research

EXISTING RESIDENTIAL SUPPLY

The figure on the right illustrates the existing supply of dwellings by dwelling type. There were a total of 2,751 dwellings in Belconnen in 2016, apartments were by far the most common dwelling type at 1,884, followed by townhouses at 843 while there were just 24 separate houses in Belconnen in 2016.

EXISTING DWELLING SUPPLY BY DWELLING TYPE, BELCONNEN 2016



Source: Australian Bureau of Statistics – Census 2016

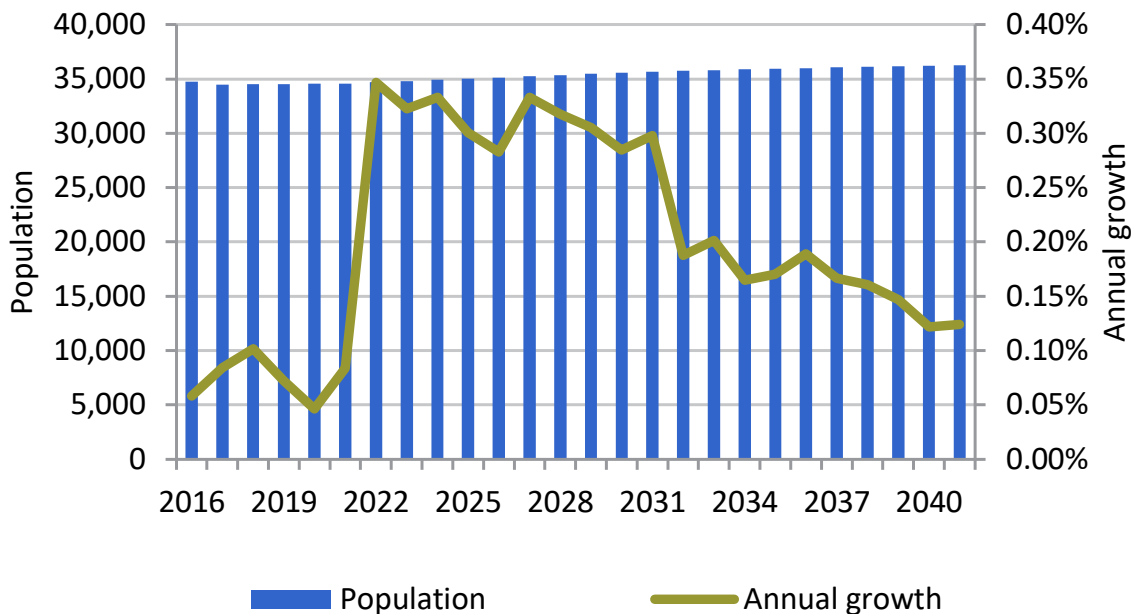
WODEN PROFILE

POPULATION GROWTH

The figure on the right illustrates population projections for Woden.

Woden is expected to grow by an average annual 0.2 per cent to 2041, from around 34,700 residents in 2016 to 36,300 residents in 2041.

WODEN POPULATION PROJECTIONS, 2016 - 2041



Source: Australian Bureau of Statistics – Census 2016, Australian Capital Territories Treasury Department - ACT Population Projections: 2017 - 2041

GRAND CENTRAL TOWERS

The \$200 million joint venture between Zapari and Geocon will deliver 430 apartments across two towers with commercial space on the ground floor. The first residents are expected to move in by late 2020.

Delivering a mix of one, two and three-bedroom apartments including some larger units at 140 square metres.

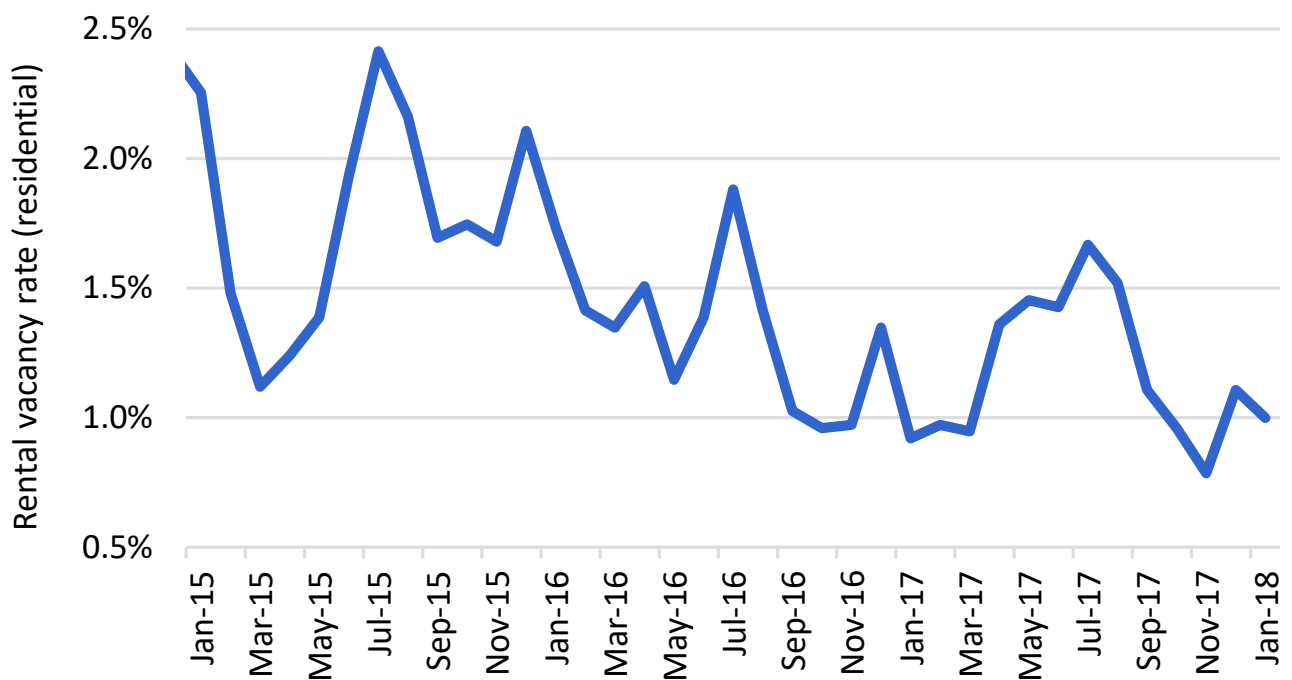
The development will also feature a sky garden, pool and deck on the fifth level and another garden at the 15th level and 382 car parking spaces.



HOUSING DEMAND

Vacancy rates in Woden have followed a similar trend as the North Canberra region. Despite some volatility vacancy rates have trended downwards since mid 2015 and are 1.0 per cent, which is just above the Canberra average of 0.8 per cent but well below the national average of 2.2 per cent.

WODEN VACANCY RATES, 2015 - 2018



Source: SQM Research

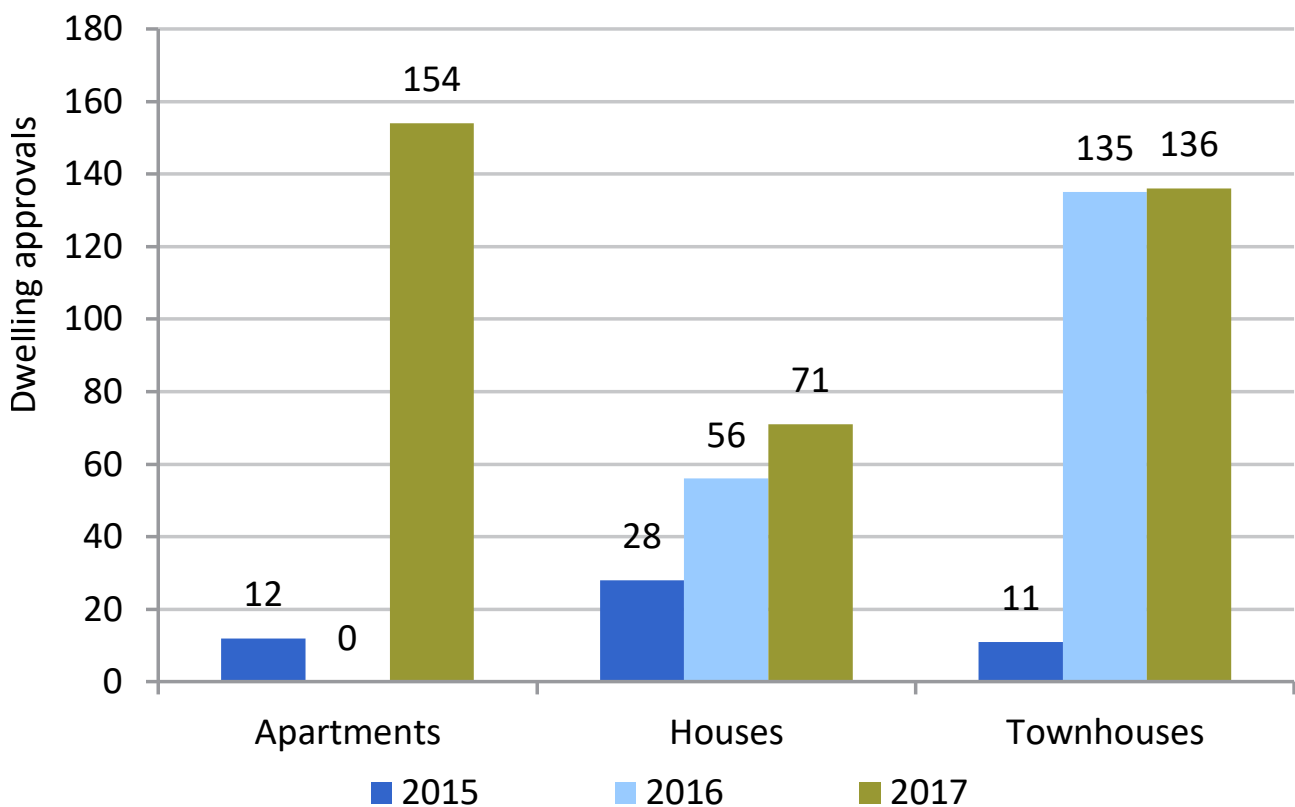
The figure on the right illustrates the number of new dwelling approvals in Woden between 2015 and 2017.

The Woden demand for apartments has lagged slightly behind the North Canberra and Belconnen markets, with 12 and 0 approvals in 2015 and 2016 respectively then 154 in 2017.

Demand for townhouses surged in 2016 and held through 2017 at similar levels.

There was steady growth in the demand for houses with approvals increasing from 28 to 56 to 71 between 2015 and 2017.

DWELLING APPROVALS BY DWELLING TYPE, WODEN 2015 - 2017



Source: Australian Bureau of Statistics, Cat. no. 8731 Building Approvals

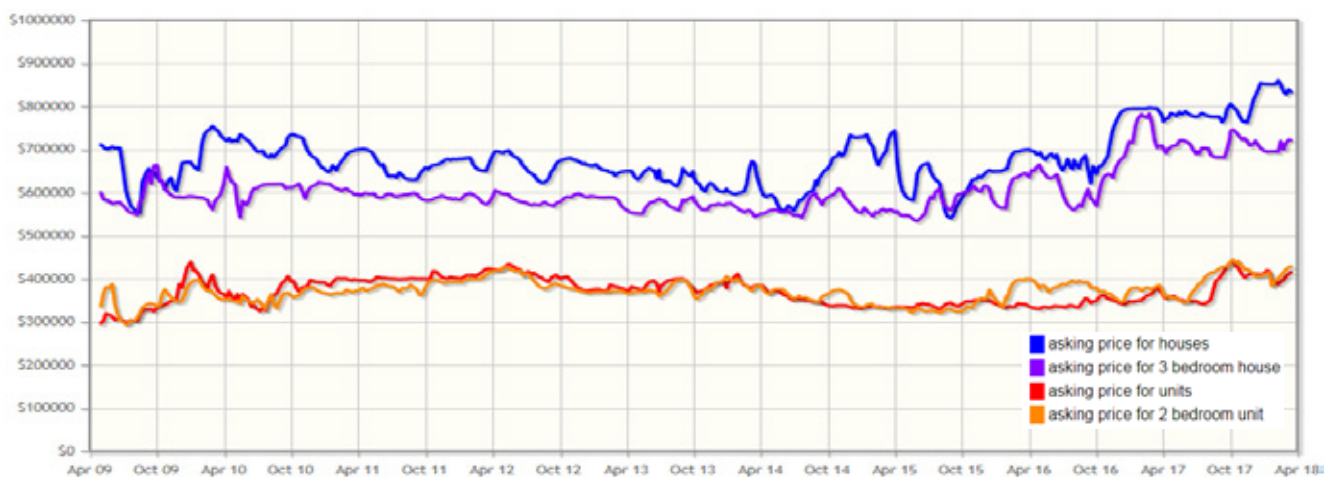
DWELLING PRICES

The figure below illustrates property prices in Woden by property type.

The asking price for houses had a downward trend between 2009 and April 2014, since then growth has picked up and asking prices in 2018 at around \$840,000 are significantly higher than they were in 2009 at \$710,000.

Unit prices have been steadier over the period, but again prices increased substantially, from \$300,000 in 2009 to around \$420,000 in 2016.

WODEN WEEKLY ASKING PROPERTY PRICES, 2009 - 2018



Source: SQM Research

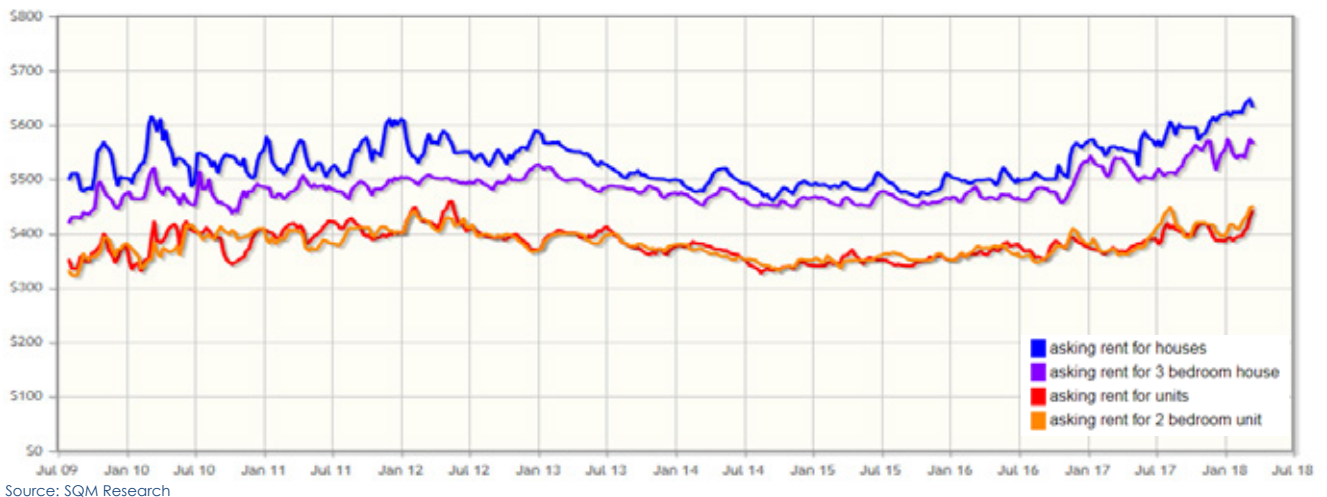
RENT GROWTH

The figure below illustrates rents in Woden by property type.

Weekly rents for houses in Woden have been more volatile on a week to week basis, but follows a similar trend to that seen in the Belconnen market with a bit of a time lag. The market trended upwards until 2013 and then rents fell until 2015 before bottoming out and since 2016 have been rising strongly to levels higher than in 2009. Current weekly rent for houses is around \$640.

Unit rents have again followed a the same trend and are currently around \$450, up from \$350 in 2009.

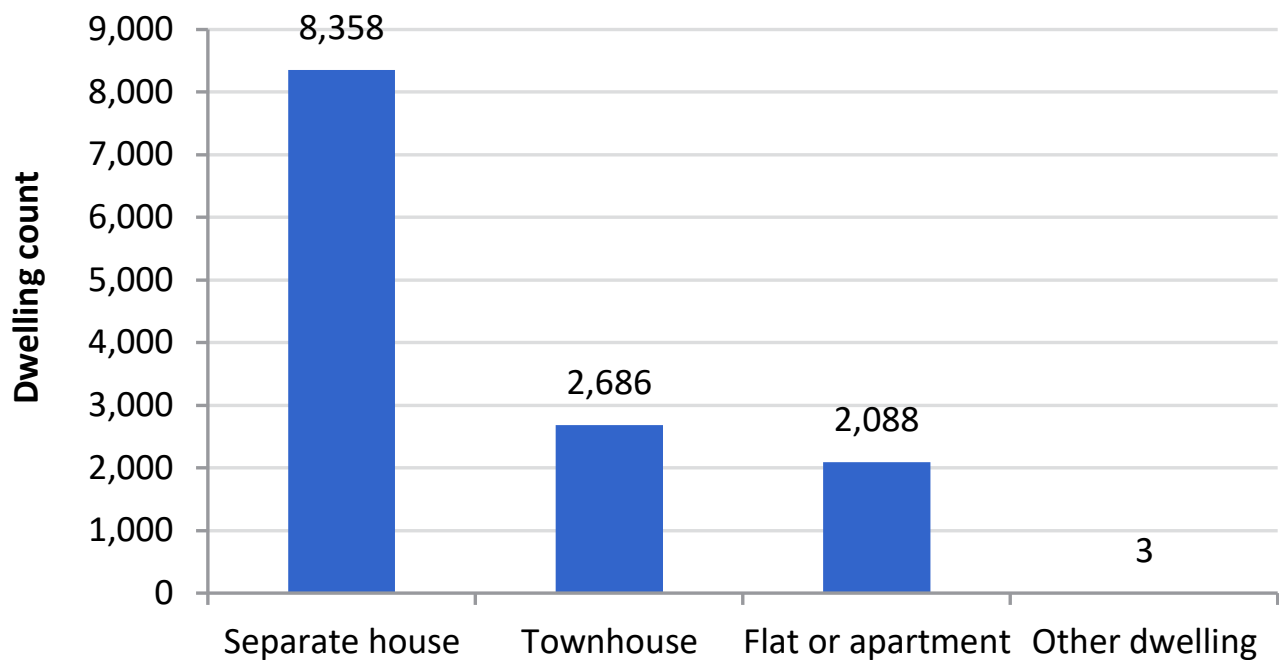
WODEN WEEKLY RENTS, 2009 - 2018



EXISTING RESIDENTIAL SUPPLY

The figure on the right illustrates the existing supply of dwellings by dwelling type. There were a total of 13,135 dwellings in Woden in 2016, the dominant dwelling type here is separate houses at 8,358 while there were a similar number of townhouses and apartments at 2,686 and 2,088 respectively.

EXISTING DWELLING SUPPLY BY DWELLING TYPE, WODEN 2016



Source: Australian Bureau of Statistics – Census 2016

GRAND CENTRAL TOWERS BY GEOCON



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