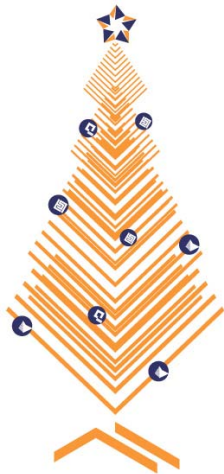




END OF YEAR WRAP UP – RETAIL MARKETS



Seasons Greetings!

Best wishes for this holiday season and may you have a happy and safe New Year.

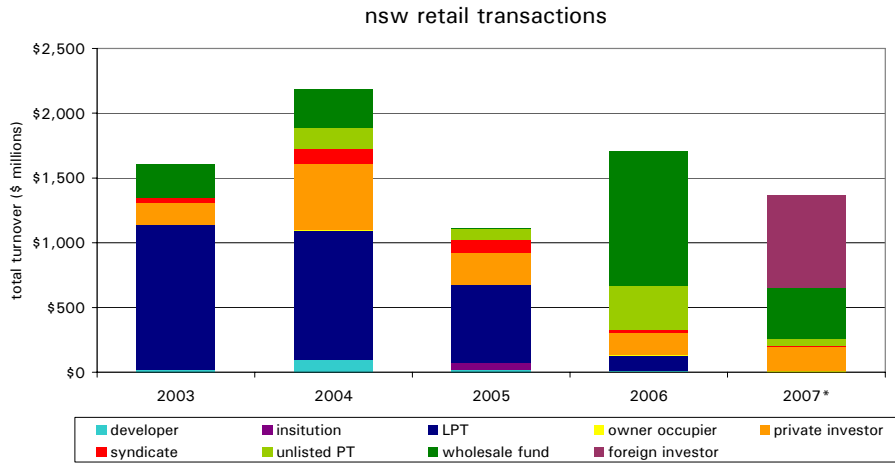
LandMark Byte will be going on a brief holiday this year, however will be returning to your inbox on the 30th January, 2008.

**From the LandMark White Research Team:
Vanessa, Ben, Courtney, Anita and Andrew.**

NEW SOUTH WALES

Retail turnover in New South Wales totalled \$1.366 billion from 26 major transactions (over \$5.00 million) during the 2007 calendar year. Retail investment dropped 20.03% from 2006, as a result of the lack of quality centres available to the investment profile. Foreign Investors dominated the market, accounting for 52.54% of transactions, this mainly due to the purchase of a 50.00% stake in Westfield Parramatta. Wholesale Funds were the second highest representing 28.82% of turnover. Investors predominately sought Regional centres across the state representing 73.16% of turnover, while limited prime stock in the CBD represented only 1.94%. Neighbourhood centres purchased totalled \$232.26 million (17.01%) in 10 centres, while Bulky Goods centres reached only \$69.59 million during the year.

Over the last five years Listed Property Trusts have consistently reduced spending each year unable to compete with the emergence of Wholesale Funds, which spent \$393.50 million in the past 12 months down 62.02% from last year. Private Investors have maintained market presence, with 2007 resulting in a record high of \$182.62 million, this represents an annual increase of 10.24%. Unlisted Property Trusts witnessed a significant tightening of over 85.00% in retail investment since 2006 to \$46.15 million.



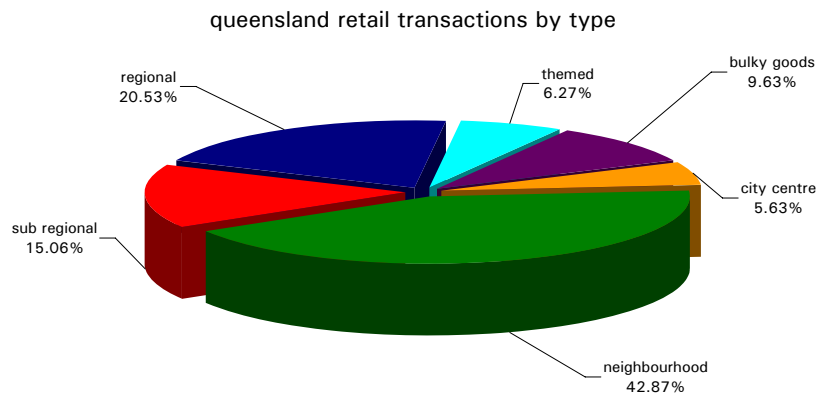
Source: LandMark White Research
 *sales reported from 1/1/07 to 19/12/07
 sales over \$5.00 mill.



Investment throughout the Sydney Metropolitan area totalled \$1.21 billion (88.88%) of total turnover down 9.59% from last year, while non Metropolitan retail investment declined by over half to \$151.85 million, during this period. Sales transactions in non Metropolitan areas were mostly spread across Neighbourhood centres and Bulky Goods centres, while Metropolitan turnover was heavily concentrated across Super Regional and Regional centres. Over the next 12 months investment spending is likely to remain robust, as improved retail trade spending figures and potential rental growth for prime retail stock that is well located and managed will place further downward pressure on yields and support strong investor demand.

QUEENSLAND

The retail investment market during 2007 in Queensland has comprised of \$884.915 million in sales from 40 transactions. Wholesale Funds have continued to contribute to the recent acquisition activity, accounting for \$348.150 million of retail property sales by value. Neighbourhood Shopping Centres have been the most significant type of retail property purchased with 42.87% of all sales in 25 transactions. Historically, Neighbourhood Shopping Centre acquisitions have been dominated by Private Investors and Syndicates however sales throughout 2007 indicate that funds, trusts and developers have also identified these types of centres as a worthy investment. Furthermore it provides confirmation that there is continued demand for all types and sizes of retail property.



total turnover \$884.975 million in 40 transactions

Source: LandMark White Research
 *sales reported from 1/1/07 to 19/12/07
 sales over \$5.00 mill.

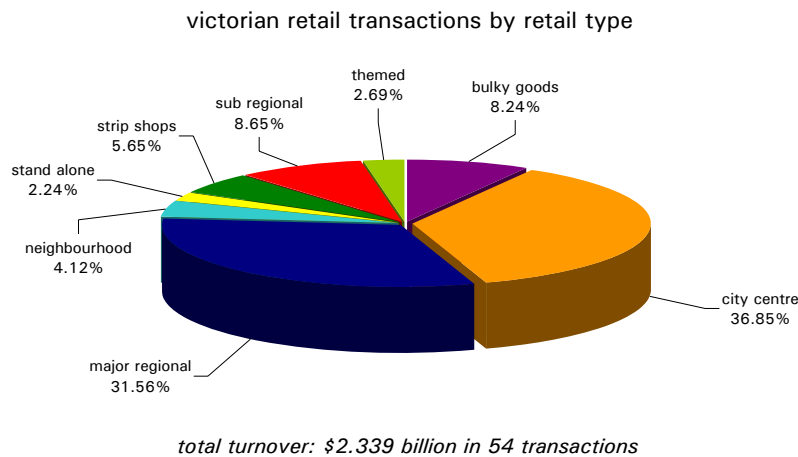


Investment activity during 2007 was very similar in comparison to the previous year's results, with an increase of only \$39 million in value of transactions whilst the number of sales was the same. This reduction in most part can be attributed to existing owners holding on to their stock as they achieve relatively good growth through rents and attempt to reposition their properties to maximise its value. Sales activity was well spread across Queensland however a large proportion of Neighbourhood Centre transactions continued to occur in the Brisbane and Gold Coast regions.

Some of the more significant retail transactions include a 50% share in Grand Plaza Shopping Centre on Brisbane's outskirts selling for \$173.5 million and a new Neighbourhood Shopping Centre located at Rothwell transacting for \$8.9 million. Yields in the Queensland retail market are likely to be near their peak, especially for lower value retail investments such as Neighbourhood and Themed Shopping Centres.

VICTORIA

Over the 2007 calendar year (to date), retail investment activity has been particularly high. LandMark White has monitored 54 major investment transactions over \$5.00 million across Victoria totalling approximately \$2.339 billion. This high level of turnover was achieved largely due to two major transactions, including the \$605 million reported sale of Myer Melbourne to Colonial First State Retail Property Trust and the 50% sale of Westfield Doncaster earlier in the year. Given these sales, City Centre retail saw the greatest level of turnover, represented by \$861.85 million or 36.85% followed by Major Regional centres with 31.56% of all turnover. Two Sub Regional sales were recorded over the year accounting for 8.65%, followed by Bulky Goods transactions representing 8.24% or over \$192 million. Neighbourhood centre transactions were down this year as limited investment stock made its way onto the market, with only nine sales reported accounting for just 4.12% of all sales turnover.



Source: LandMark White Research
 *sales reported from 1/1/07 to 19/12/07
 sales over \$5.00 mill.



The majority of investment activity occurred within the Inner and East regions (heavily weighted due to these two major sales) representing 44.33% and 38.63% respectively. Little turnover was recorded in Regional Victoria, down on previous years with major retail transactions accounted for only 1.94% of all sales, similarly the Metropolitan North region saw a low 2.87% of all sales. Investment activity continues to be dominated by institutional investors, Wholesale Funds and Listed Property Trusts which continue to feature strongly, while Foreign Investors also were active across Melbourne in 2007. Private Investor activity was particularly evident in the Bulky Goods, Stand Alone and Strip Shop categories for properties in the sub \$15 million price range.

Part of our focus at LandMark White has been client service and we are committed to provide a quick response to your valuation and advisory needs, if you require any further information on the various office markets or have any valuation queries please contact our NSW Managing Director, Tyrone Hodge, tyrone.hodge@lmw.net.au or Parramatta Director, Michael Clarke michael.clarke@lmw.net.au, Brisbane Commercial Director, Fraser Bentley, fraser.bentley@lmw.net.au, Victorian State Director Rex Stafford, rex.stafford@lmw.net.au or Melbourne Associate Director, Amanda Norman amanda.norman@lmw.net.au

Ask LMW Research... we can provide the right advice!

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