

BUSINESS PROPERTY UPDATE

January 2008

"Your Business Property Partner"

www.balmoralpartners.com.au

Happy New Year and welcome to our first update for 2008! Well recent events have been a deafening reminder that a lot can happen in even a month in property! These market events have also been a reminder of the danger in "taking your eye off the ball" when playing in the property game.

Like in any game, a turn in fortunes will be viewed differently by many. Some will change course and others welcome a change as they see opportunities presenting themselves as a result. Some will see it as half time, and an opportunity to capitalise on the new conditions moving forward.

Whatever the view, 2008 will be an interesting year politically and financially. We welcome the opportunity to assist you in making the New Year a successful property performance year!

For your information, recent market developments are as follows:

North Ryde Leasing – Office

Recent office leases (notably 50 Waterloo Rd & 15 Talavera Rd) have dramatically reduced supply of older but functional office space in the \$250-260 psm pa net price range. This space has recently leased due to the location, price and car parking allocations.

Tenants have mentioned to us a preference for property in North Ryde to the West of Lane Cove Rd rather than East of Lane Cove Rd, mainly due to the shopping centre and their perception that the West is more established, "professional" and provides better staff amenity.

Car parking is also an important factor as many tenants have discounted some very good options purely due to their car parking requirements.

North Ryde Leasing – Warehouse

On the 21st December '07 Balmoral Partners leased the last significant warehouse available in North Ryde. We leased 1200sqm of high clearance warehouse at 65 Waterloo Rd for \$120 psm pa net. The tenant had just missed out on the warehouse at 6-10 Talavera Rd, North Ryde and really gives future warehouse users no option other than to consider Lane Cove, Artarmon or further along the M2 as alternative locations.

North Ryde – Overall

The market remains good and fortunately despite the turbulent economy there are companies out there with goals to achieve by certain dates and they are motivated to act now. We are finalising leases in North Ryde on this basis at present.

Those tenants not as motivated are expected to require some encouragement and incentive levels are expected to remain. Changes to these levels will depend probably more on how motivated the landlord is to lease the space – stay tuned!

Other interesting points of note

Sale of Gladesville office – 18/1-7 Jordan St, (89sqm sold for \$450,000) "a great result". This office suite was listed for sale with another agent for over 12 months. The owner approached us. We worked through a simple repositioned strategy (painting etc). Within 2 months the suite was sold and the vendors delighted!

RECENT TRANSACTIONS BY BALMORAL PARTNERS.

35 Waterloo Rd, North Ryde
Area: 162sqm (office)
Rent: \$280 psm pa net
Owner: Goodman International

16 Byfield St, North Ryde
Area: 65sqm (office)
Rent: \$350 psm pa net
Owner: Century Funds Management

Orion Rd, Lane Cove
Area: 275sqm (office)
Rent: \$210 psm pa net

Riverside Corp Centre Village, North Ryde
Area: 117sqm (office)
Rent: \$363 psm pa gross

4 / 118 Christie St, St Leonards
Area: 65sqm (office)
Sale Price: \$265,000 + GST

16 Byfield St, North Ryde
Area: 296sqm (office)
Rent: \$295 psm pa net + GST
Owner: Century Funds Management



Contacts:

Barry Johnston	0412 60 60 30
Tom Merrett	0401 48 48 45
Andrew Holgate	0433 33 75 55
Office	9922 6066

DISCLAIMER: Whilst care has been taken in preparing the information contained herein, no warranty is given or implied and prospective buyers / tenants are advised to carry out their own investigations. Details herein do not constitute any representation by the vendor / lessor or the agent and are expressly excluded from contract.