



Australian Property Markets News & Views

17/6/2017

Welcome to this weeks Property News.

In addition to our weekly review of transactions we are pleased to introduce you to our Property Research Portal pointing you to the latest news & research papers from leading agencies across the markets. We also review some of the recent movements in the listed trusts and watch with interest the goings on at APN Property Group.

CMA is currently sourcing capital for a Senior Debt opportunity (see below). The Sydney short term debt opportunity has been filled however if you have an interest in similar investments, please contact us to be ahead of the pack.

CMA aims to assist Real Estate Investment Managers and clients to add value to their investment decisions with relevant market based advice. We value your relationship and hope that we can be of assistance to you. If you require any strategic advice, market insights, transaction report or individual REIT assessments, please feel to contact us.

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Investment Opportunities

CMA is currently sourcing capital for the following Investment Opportunities. If you would like more information, please contact us [here](#)

Senior Debt Construction & Holding Facility

\$60M
4 Year Term
60% LVR

9%
Return*

Senior Debt Sydney Short Term

\$15M
1 Year Term
55% LVR

10%
Return*

CLOSED

* Returns are expressed as forecast IRRs and are subject to a variety of investment risks. Investment is only available to wholesale clients.

Property Transactions














This week, we recorded over \$1.2B of transactions across 13 assets.

Most notable was the announcement by Mirvac of the sale of two of its development projects in Melbourne, on sub 5.0% yields.

We also look residential developer JQZ's latest acquisition in St Leonards and at AFIAA's acquisition in Melbourne.

Read more about these transactions by clicking the "read more" button to the right.

[Read More](#)

Propel Property Economics Lab						
Image	Address	Vendor	Purchaser	Price	Cap. Rate	Date
	184 Goodwood Street GL...	Charter Hall...	Senior Retail Pro...	\$31,500,000	7.2%	16/06/17
	329 New Street Brighton...	Catalfamo Fa...	Chinese Investor	\$15,800,000	3.3%	15/06/17
	628 Bourke Street Melb...	M&G Real Es...	AFIAA	\$180,000,000	6.0%	15/06/17
	Plumpton VIC	Private	Villa World	\$44,000,000		14/06/17
	10486 New England Hg...	Lauder Pty Ltd	Charter Hall Ret...	\$41,000,000	6.0%	14/06/17
	2 Boves Street Phillip A...	Quintessenti...	Altis Property Gr...	\$58,400,000	6.6%	14/06/17
	477 Collins Street Melbo...	Mirvac	ARA Asset Mana...	\$420,000,000	4.8%	14/06/17
	664 Collins Street Melbo...	Mirvac	Morgan Stanley...	\$140,000,000	5.0%	14/06/17
	88 Christie Street St Leo...	Dyldam	JQZ	\$300,000,000		14/06/17
	1 Hillview Street Rutherf...	Sentinel Pro...	Real Asset Mana...	\$13,631,144	6.9%	13/06/17
	20 Kullara Close Beresfo...	Catapillar		\$14,000,000		13/06/17
	67 Beatty Blvd Tanba Ba...	Sentinel Pro...	Real Asset Mana...	\$12,886,347	7.2%	13/06/17
	80 Little Conadilly St Gu...	Sentinel Pro...	Real Asset Mana...	\$17,982,509	7.7%	13/06/17
Total				\$1,269,200,000	6.1%	

Property Research Portal

CMA / Propel accesses property research from leading agencies and researchers across the market and brings them together for our clients to easily access. Click here if you are interested in the latest research for;

- [Commercial markets](#)



- [Industrial markets](#)
- [Retail markets](#)
- [Residential markets](#)

Fund News

Busy week at Charter Hall Retail

Charter Hall Retail REIT confirmed this week, a 14c distribution for the period ending June 17, in line with the previous forecast of Operating Earnings at 30.4c with a 90% payout ratio. ([Read More](#)). CQR also announced this week the acquisition of Highfields Village Shopping Centre for \$41M at a 6% yield ([Read More](#)) and the disposal of Gladstone Square Shopping Centre for \$31M at a yield of 7.25% ([Read More](#)). These transactions are in line with their strategy to reduce exposure to freestanding and smaller neighbourhood centres and to acquire larger, higher growth assets with development potential.



Centuria

Centuria completed the merger of its two office trusts, the **Metropolitan REIT** (CMA) and the **Urban REIT** (CUA). The merged entity will contain 15 assets with a book value of \$600M. Unit holders in the Urban REIT received 0.88 units in CMA plus 0.23 cents for each share in CUA. The larger entity should enjoy greater liquidity and a higher distributable earnings per security.



Nervous time at APN Property

Twelve months ago, APN sold their Healthcare investment management unit & the shares APN held in Generation Healthcare to one of its largest shareholders, NorthWest Health Care. Northwest has subsequently hoovered up the remaining unit holders and taken full control of the Trust from APN Funds Management ([Read More](#)). At the time, NorthWest represented about 20% of APN Funds Under Management.



APN Property Group is once again facing the loss of one of its key listed trusts. This week, 360 Capital (TGP) increased their stake in Industria REIT (IDR) to 18.19%,

up from 17.13% having recently raised capital to make a play on Industria. Whether TGP are positioning themselves for a full takeover or just taking a drivers seat remains to be seen.

Meanwhile APN are nervously shoring up the **Industria REIT** by providing information on draft valuations for its portfolio ([Read More](#)). The draft valuations suggest an increase of 18c in NTA. It seems unusual for a listed REIT to provide draft valuation numbers as valuations are not usually able to be relied upon until peer reviewed and signed off. APN also announced an 8c dividend consistent with its 16c guidance for FY17 and advised that they will move to quarterly dividends (as opposed to 6 monthly). The Industria REIT represents about 23% of APN's Funds Under Management.

APN have fallen from a high of 0.62cents in September 2016 to close this week at 0.36cents.

World Class Global Listing

Property developer World Class Global, a spin-off Aspial Corp, developer of Australia's tallest tower, raised \$33 million through an IPO on the Catalyst Board on the Singapore Exchange. The Catalyst Board was established to provide a cheaper, quicker and a less regulated process to establishing a listed entity. World Class Global used the listing to create a platform to raise further capital for its three projects in Australia, including Avant and Melbourne 108. The group also holds 28 properties in Penang, Malaysia, including two shophouses. Aspial will retain 80 per cent stake in World Class Global.

All eyes on Japan

US pension giant TIAA is setting its sights on Japanese real estate with plans to invest about \$1 billion in retail and logistic sites in Tokyo and Osaka. M&G Real Estate, the property investment arm of London-based Prudential Plc last month said it's looking for offices, logistic centres and apartment buildings in Tokyo, while US-based PGIM Real Estate has acquired \$1 billion of assets in Japan in the past year.



Other News

- **Vicinity** announces 8.6c distribution ([Read More](#))
- **Ingenia** announced acquisition of Brisbane Lifestyle Community for \$25M as per previous capital raising announcement. ([Read More](#))
- **GDI** announced distribution for period ending 30th June at 3.875cents ([Read More](#))
- **Arena REIT** announced distribution for period ending 30th June at 3.075cents ([Read More](#))
- **Gateway Lifestyle Villages** down graded their profit forecast for FY17 due to a slowing in sales and poor weather for some of its key projects. ([Read More](#))

Daily REIT Report

Propel now publishes a daily REIT Report listing the key movements in the Australian listed property markets with information on key announcements, performance reports, presentations and analysis.

If you are interested in accessing these updates click on the link below and let us know.

[REIT Updates](#)

AREIT Daily Report
11/05/2017



News

* GPT held AGM and confirms that it's Total Return for 2016 was 15.5%

* South African group Redefine Properties, has advised that it will not fund Cromwell's ambitious \$3 billion offer to buy out Investa Office Fund, despite them being Cromwell's largest shareholder. Cromwell may well proceed without Redefine's support.

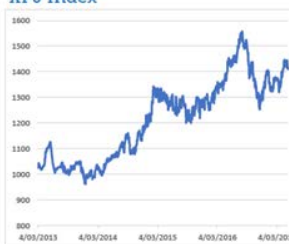
Top 5

Number	Symbol	Name	Last Trade	Chg. %	1 Week Change	Yield	Market Cap \$M
1	GTU	Gateway Lifestyle Group	2.28	2.24%	5.6%	4.1%	\$ 668
2	FET	Folkestone Education Trust	2.82	2.17%	-1.7%	5.1%	\$ 692
3	AOF	Australian Unity Office Fund	2.11	0.96%	-0.5%	5.5%	\$ 293
4	APZ	Aspen Group Unit	1.08	0.93%	1.9%	6.3%	\$ 109
5	AUD	Apicdata St	1.645	0.92%	4.4%	6.0%	\$ 187

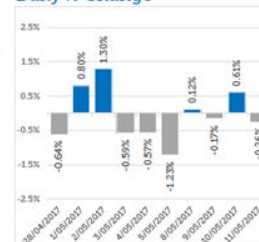
Bottom 5

Number	Symbol	Name	Last Trade	Chg. %	1 Week Change	Yield	Market Cap \$M
1	RNY	RNY Property Trust	0.029	-9.38%	-9.4%		\$ 8
2	AVN	Aventus Retail Property Fun	2.47	-1.59%	0.8%	5.7%	\$ 996
3	APD	Apn Property Group Ltd	0.375	-1.32%	-3.9%	4.6%	\$ 119
4	MGR	Mirvac Group	2.28	-1.30%	-2.2%	4.4%	\$ 8,560
5	GPT	GPT Group	5.31	-0.75%	-0.6%	4.8%	\$ 8,770

ASX 200 AREIT
XPJ Index



Daily % Change



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