

Quarterly Index Results

NZ commercial property market results

June 2012

IPD Australia and New Zealand

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the property world



PCNZ/IPD Commercial Property Index sponsor:



Property & Asset Management Software

IPD New Zealand asset property database

broad representation across the property sector

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IPD NEW ZEALAND INDEX DATABASE

▪ **Participants: 20**

▪ **Portfolios: 25**

▪ **SIZE: 575 assets**

▪ **VALUE: \$10.3 billion**

PARTICIPANTS

- AMP Capital Investors
- Arena Investment Management
- Auckland International Airport Ltd
- Augusta Capital Ltd
- Bayleys
- Colonial First State
- Dexus Property Group
- Dilworth Trust Board
- DPF Management Ltd
- DNZ Property Group
- Eureka Funds Management
- Goodman NZ Ltd
- Ngāi Tahu Property Ltd
- Argosy Property Ltd
- PFIM Ltd
- Tainui Group Holdings
- Tower
- Trust Investments
- Vital Healthcare Management Ltd
- 360 Capital Property Group

PORTFOLIOS

- AMP Capital Property Portfolio (APP)
- AMP NZ Office Ltd (ANO)
- AMP Capital Shopping Centre Fund
- Arena Office Fund
- Argosy Property Trust (ARG)
- Auckland Airport Property
- Augusta Funds Management Ltd
- Augusta Capital
- Rosalia
- DXS Office
- Dilworth Trust Board
- Direct Property Fund
- DNZ Property Fund (DNZ)
- Eureka Core Property Fund 3
- Goodman Property Trust (GMT)
- Kiwi Income Property Trust (KIP)
- Melanesian Mission Trust Board
- Ngāi Tahu Property
- Property for Industry (PFI)
- St Johns College Trust Board
- TGH Property
- Tower Property Fund
- Trust Investments Property Fund
- Vital Healthcare Property Trust (VHP)
- 360 Capital Office Fund

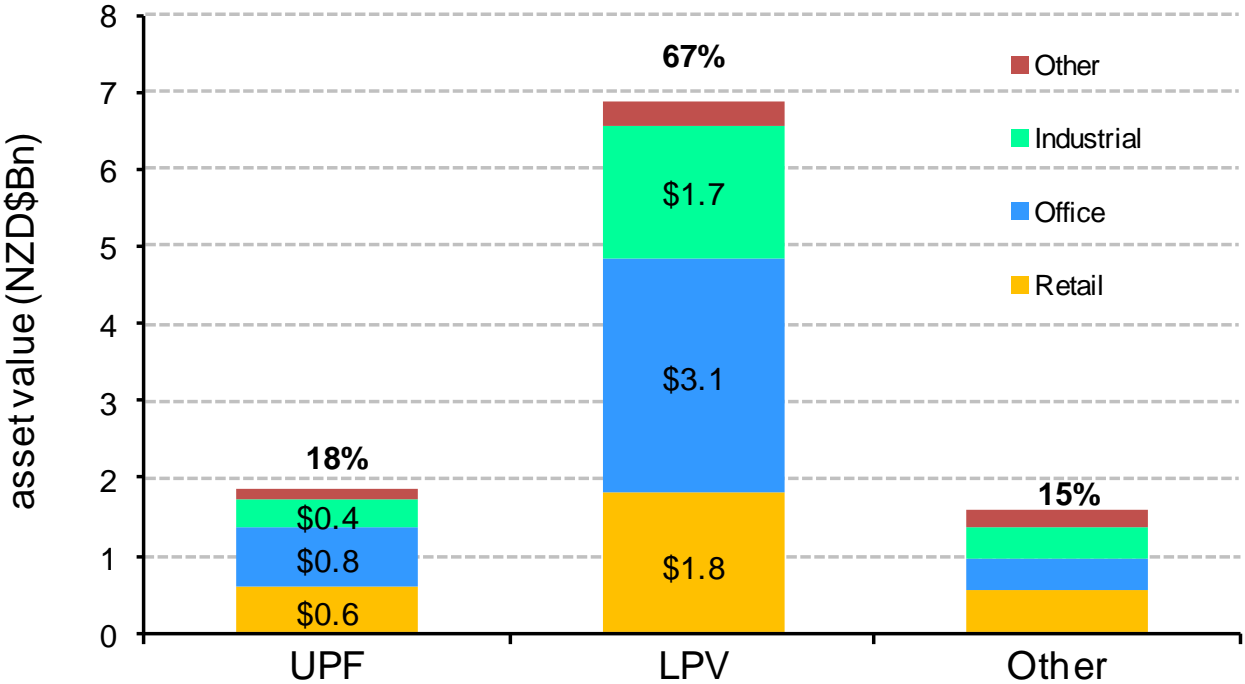
Structure of IPD NZ property database

dominated by listed property vehicles



Size of IPD NZ property database

estimated at NZ\$10.3bn as at June 2012



Source: IPD Research.



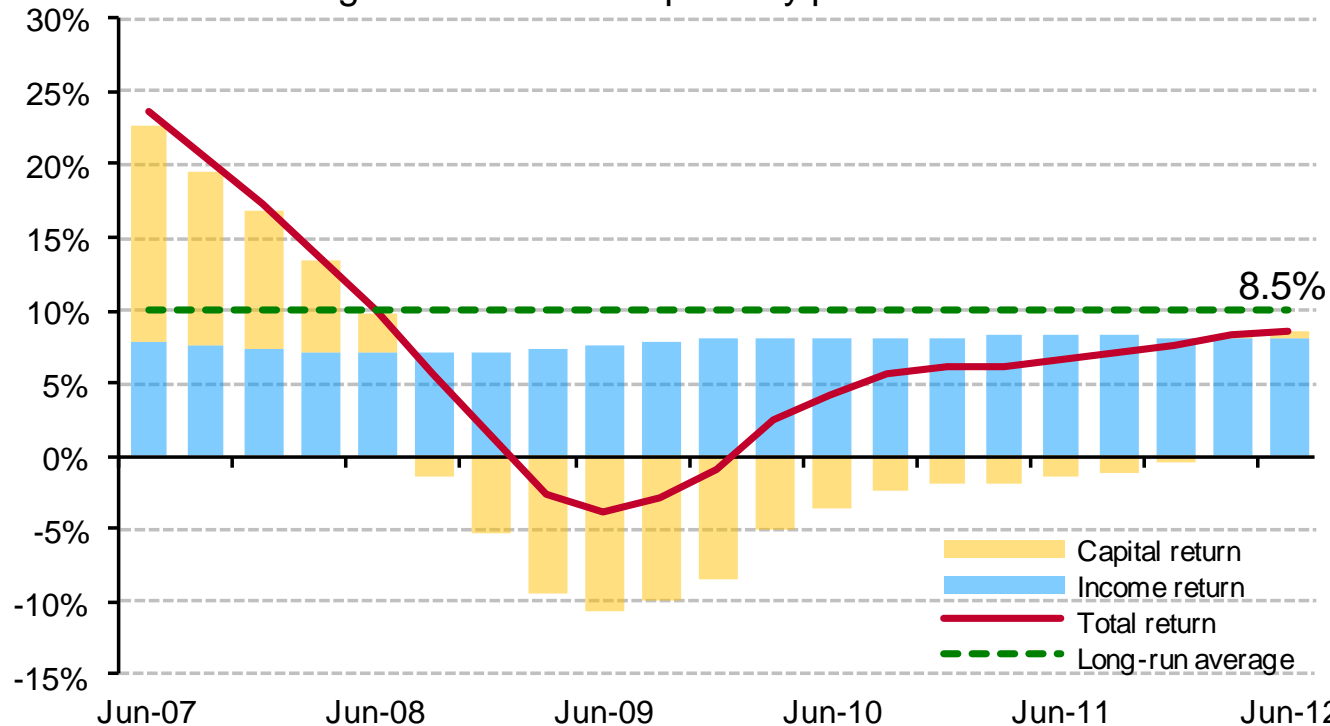
Property investment return performance

property return moves up with improved capital growth

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Total return for direct commercial property
rolling annual return on quarterly periods to June 2012



Note: direct property returns based on PCNZ/IPD Index.

Source: IPD Research.

Property and the macroeconomy

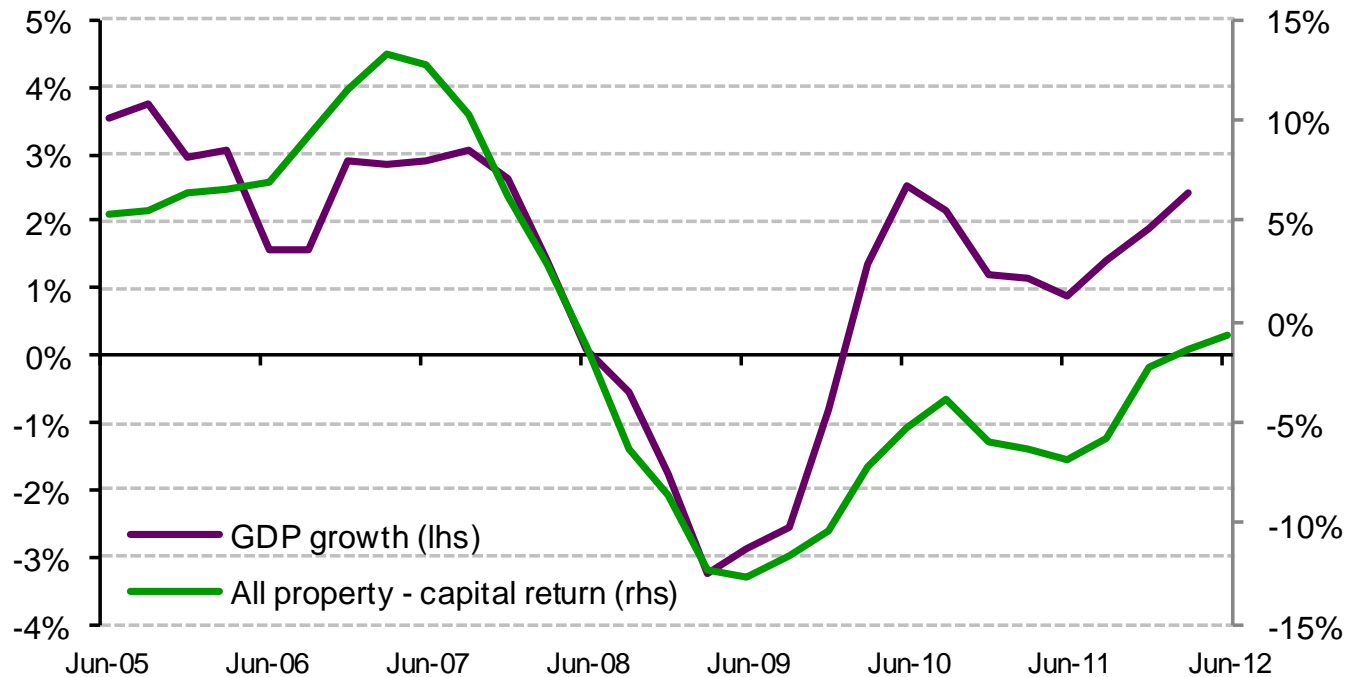
signs of a cautious improvement over the short-term

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Economic growth versus NZ direct property

annualised rates on quarterly periods ending June 2012



Note: GDP series is seasonally adjusted and capital return series is expressed in real terms.

Source: Statistics NZ and IPD Research.

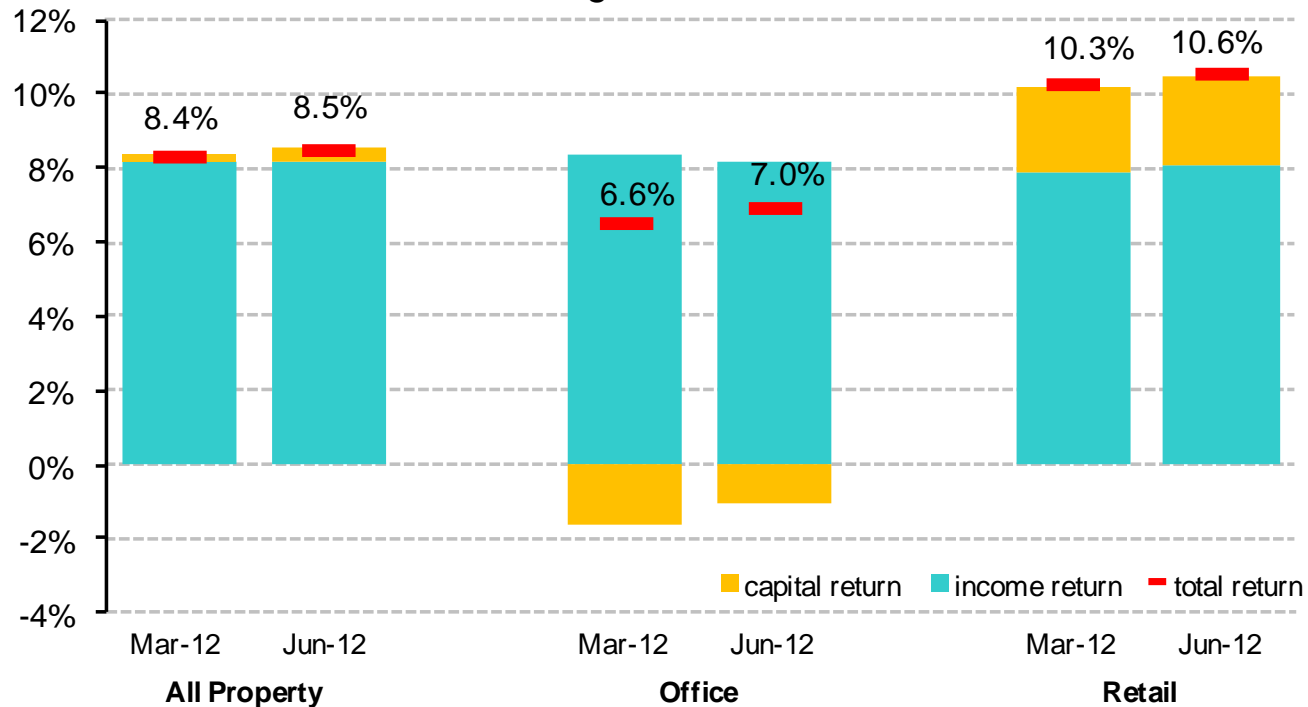
Property returns across sectors

retail sector outperforms while office sector struggles

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Performance across core property sectors
average annual return



Note: direct property returns based on PCNZ/IPD Index.

Source: IPD Research.

Property sector drivers

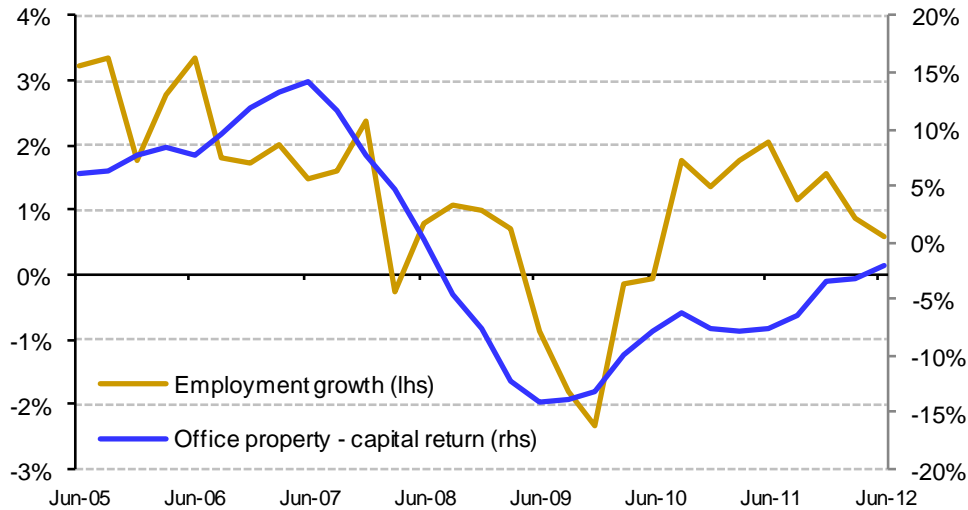
labour market displays weakness while retail sales signals stronger growth over the short-term

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Employment versus NZ office property

annualised rates on quarterly periods ending June 2012

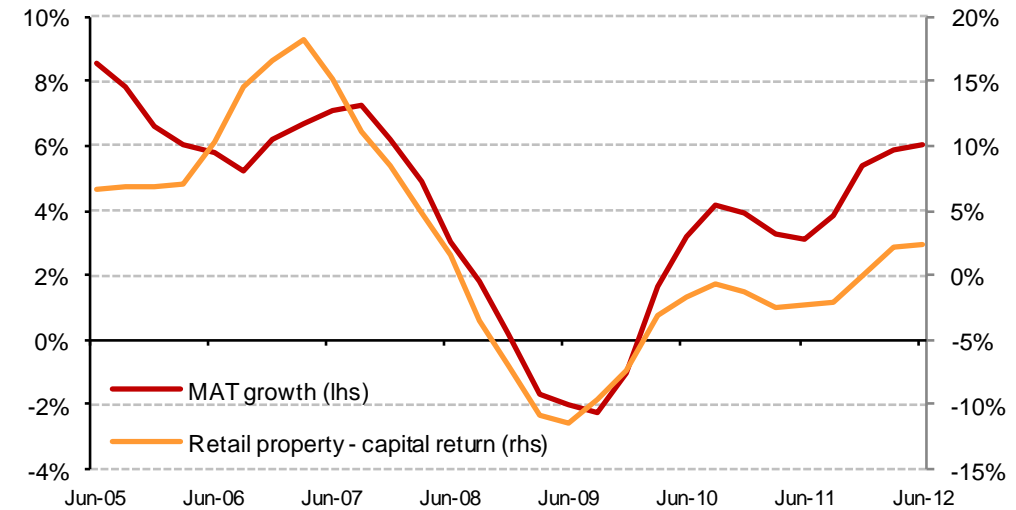


Note: employment series is seasonally adjusted and capital return series is expressed in real terms.

Source: Statistics NZ and IPD Research.

National retail trade versus NZ retail property

annualised rates on quarterly periods ending June 2012



Note: seasonally adjusted series.

Source: Statistics NZ and IPD Research.

Movements in property sector cap rates

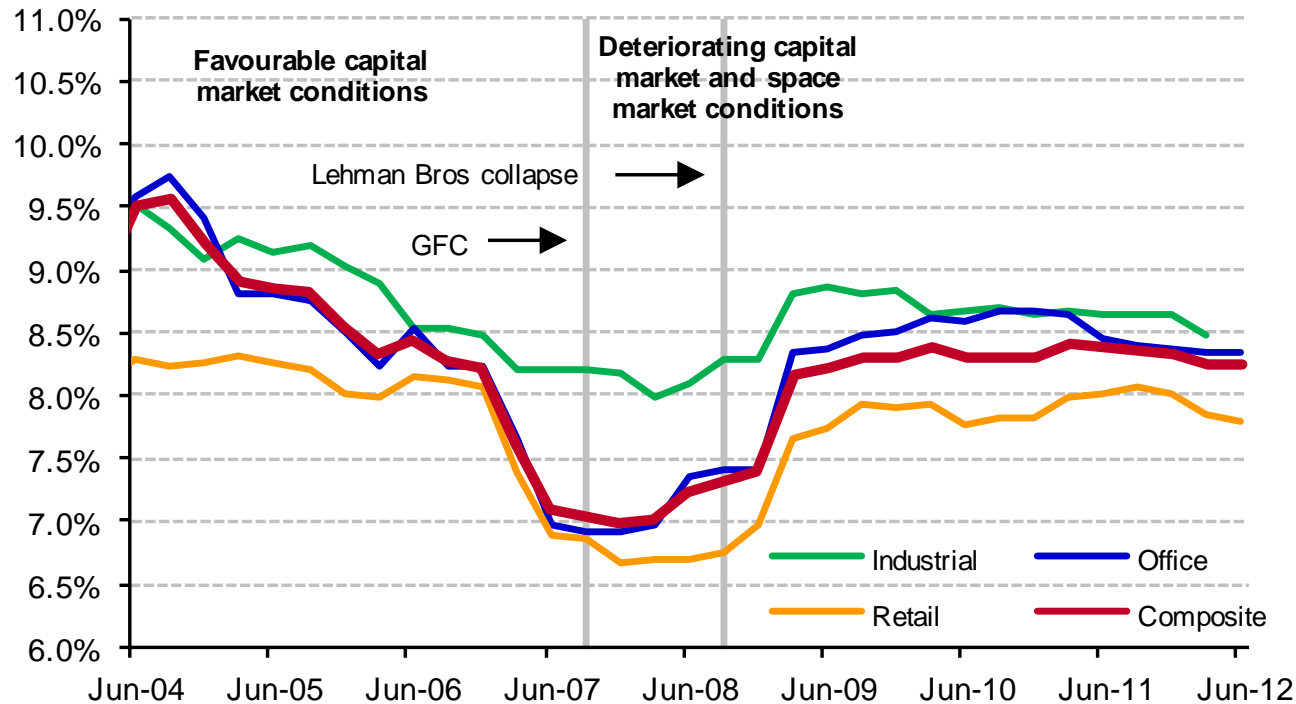
firming for retail sector while office sector remains steady

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NZ average direct property cap rates

sample period: June 2004 - June 2012



Source: IPD Research.

Direct property versus other asset classes

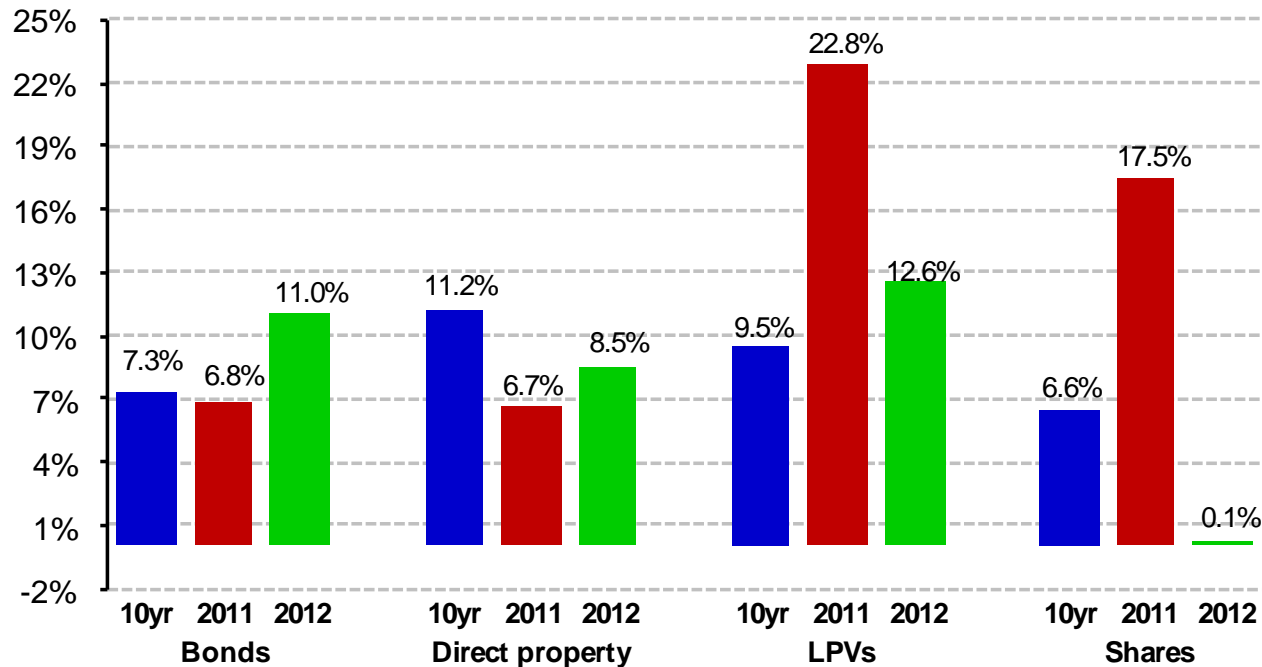
direct property delivers strong return over the long-run

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New Zealand asset class performance

historical annualised total returns to June



Note: annual returns ending June

Source: NZX, EcoWin and IPD Research.

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