

GLOBAL SPOTLIGHT

Melbourne, Australia



Australia is one of the busiest exporters of raw materials, commodities, automotive and many other manufacturing industries. Melbourne is one of the major financial hubs of Australia.

- The Australian economy is well integrated into global financial markets and functions on the frontier of global technology. At the same time, it is resource rich and deeply engaged in the real economies of the dynamic Asian region. Australia also benefits from flexible product and labor markets, which are the result of many decades of economic reform.
- The Melbourne office market has weathered a substantial increase in supply and is currently enjoying a lower vacancy rate than many predicted five years ago. The CBD vacancy rate has halved and rents have doubled. Ongoing and confined tenant demand should continue to provide strong and consistent rental growth from a base substantially lower than other CBD office markets in Australia.
- Melbourne's smaller-end industrial market demonstrated resilience throughout 2008. Tenant demand for high quality, well located warehouses has remained unchanged for building areas less than 1,000 SM. Private investors, for the most part, continue to demonstrate high levels of interest within the sub-\$5 million range where supply of good quality buildings is limited.
- Local conditions have caught the attention of international investors, as good quality, tightly held retail properties are becoming available in the market. Further reductions in the official interest rate (currently at 3.25%) will place greater emphasis on the initial yield of investments over the next 18 months.

Melbourne At A Glance

Population	5.34 million
Location	Southeast Australia
GDP	\$889.7 billion
Interest	3.25% (Feb. 2009)
Inflation	3.7% (Dec. 2008)
Conversion	1 USD = 1.4467 AUD (March 2009)

Property	Rent/SF/Year		Vacancy Rate
	Low	High	
Class A Office (Downtown)	\$35	\$40	4%
Suburban Office Class A	\$25	\$27	2%
Industrial Bulk/Warehouse	\$13.90	\$14.86	4%
Retail Downtown	\$78	\$92	1%

NAI Melbourne offers local market expertise in Melbourne and southeastern Australia.

About NAI Global

NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

At A Glance

325	Offices
55	Countries
5,000	Professionals
\$45 billion	Annual Transaction Volume
200	MSF of Property Management

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