

# BOOTCAMP IS BACK

We'll see you there!

19th  
September  
9:30 AM to 4  
PM AEST  
Live on zoom.

<https://zoom.us/j/92112844028>



YIELD  
10% INDUSTRIAL  
(WAREHOUSES)  
7-8% OFFICE  
(STRATA)  
HIGH RISE  
5-6% RETAIL  
(GROUND FLOOR  
GLASS FRONT)  
1-3% RESIDENTIAL

# Welcome to The Commercial Property Cashflow Webinar



**JULY – AUGUST 2020 INDUSTRIAL & LOGISTICS SECTOR  
CBRE**

# JULY - AUGUST 2020 INDUSTRIAL & LOGISTICS SECTOR CBRE

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- Covid Impact on Industrial & logistics sector
- CBRE Industrial & Logistics Sector Group Webinar Series- 16 July 2020
- Capital flow, pricing, impact of Melbourne lockdown
- <https://www.cbre.com.au/covid-19/CBRE-Talking-Sheds-Webinar?>

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- Food Storage & Cold Warehousing, has been performing well - expected to continue, despite the scaling back the cafe and restaurant sectors
- Construction- seeing some levels of impact and slowing of getting contraction done
- Manufacturing suffering from overseas suppliers... but local food manufacture is performing well.
- Shipping and transport having some difficulties from more recent border closures, plus from the requirement for international quarantine.

# JULY - AUGUST 2020 INDUSTRIAL & LOGISTICS SECTOR CBRE

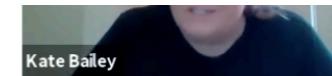
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- **Warehousing...**
- when retailing suffers, it impacts the warehousing sector.
- High demand for e-commerce goods, has seen some supply chain struggle
  
- **Stimulus from government**
- About 10% GDP
- On track to assisting recovery

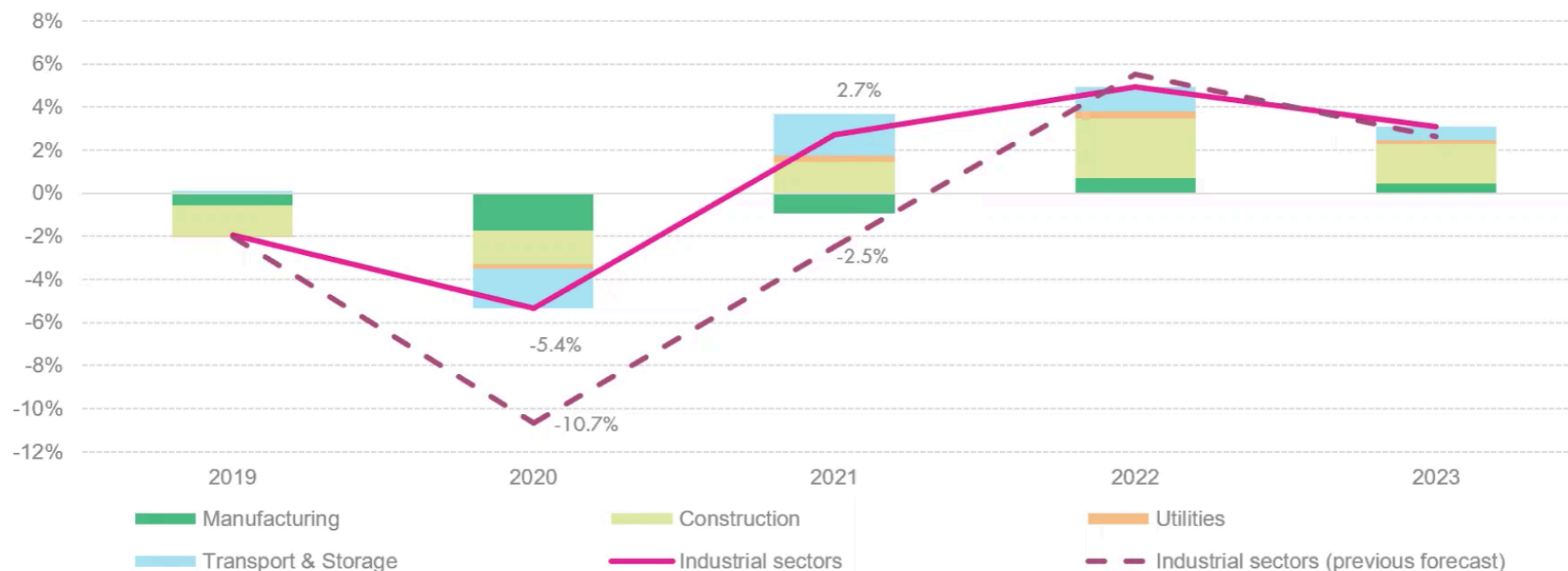
# JULY - AUGUST 2020 INDUSTRIAL & LOGISTICS SECTOR CBRE

- Recovery forecast
- Construction- Home renovations stronger - and key infrastructure projects
- Transport & storage for e-commerce

## SHALLOWER CONTRACTION IN THE INDUSTRIAL SECTOR



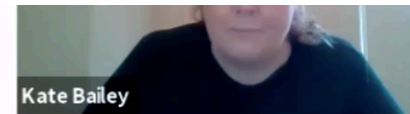
ECONOMIC OUTPUT – CONTRIBUTION FROM INDUSTRIAL SECTORS



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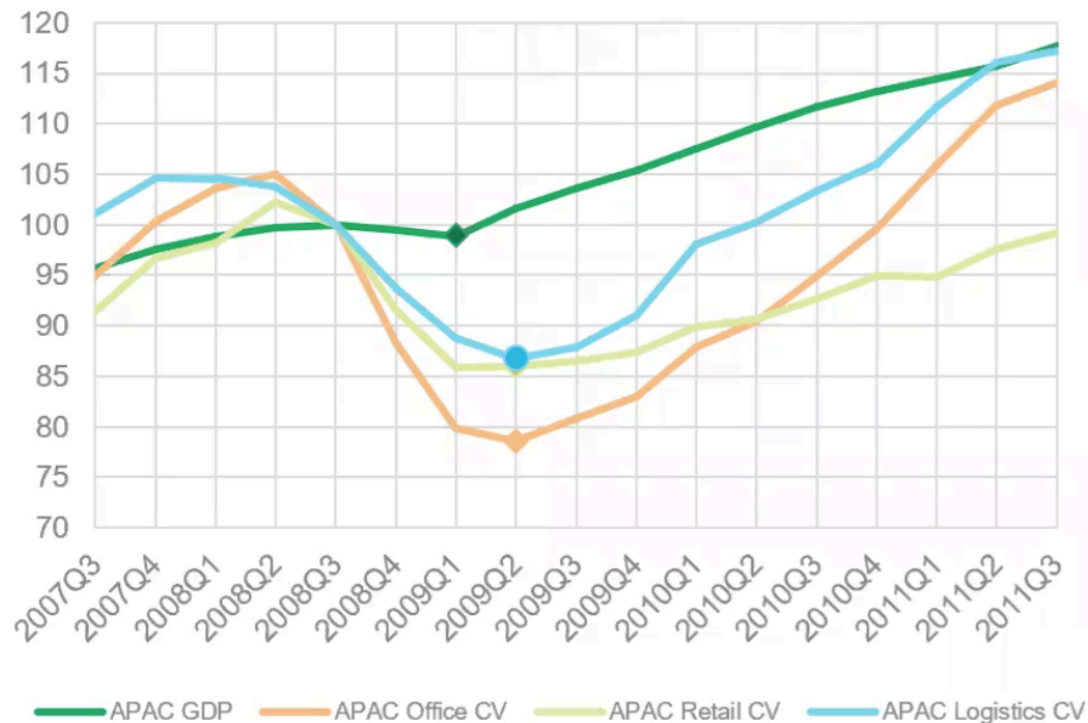
- Industrial & Logistics predicted to hold up better
- Of course there will always be exceptions- like Helen's finds & group deals

## INDUSTRIAL VALUES WILL HOLD UP BETTER



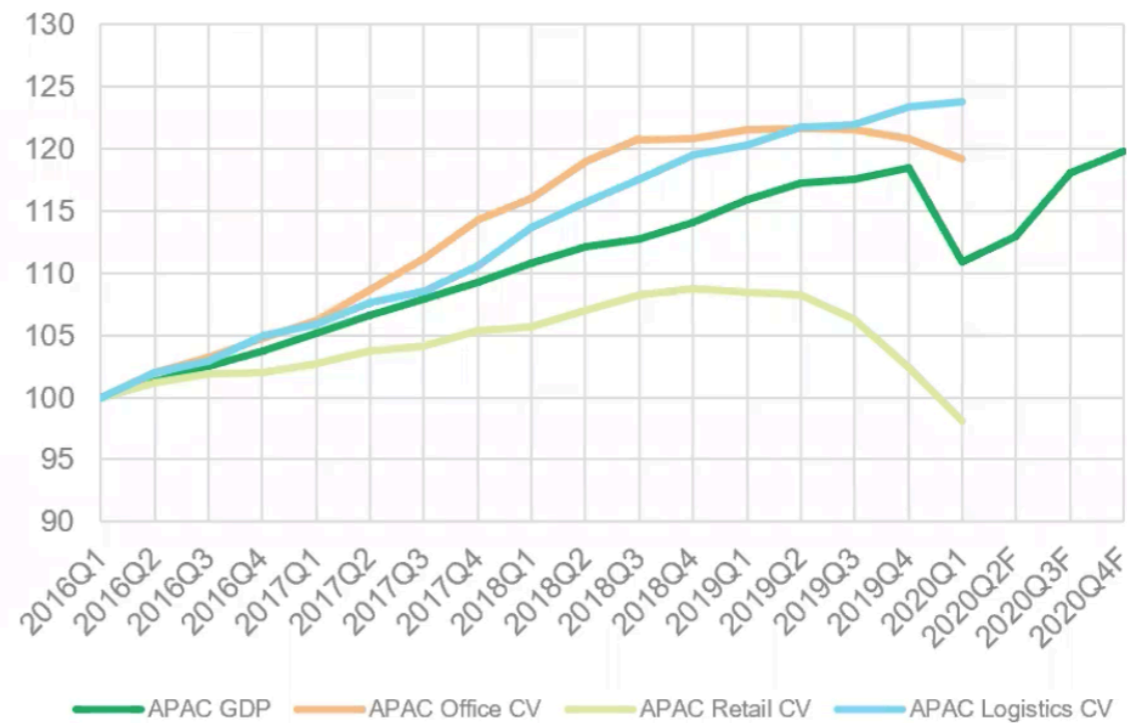
### APAC GDP AND CAPITAL VALUE INDICES BY SECTORS

CAPITAL VALUE MOVEMENT IN GFC



Source: CBRE House-View, Oxford Economics, April 2020.

CAPITAL VALUE MOVEMENT IN COVID-19

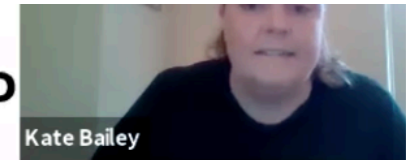


Source: CBRE House-View, Oxford Economics, April 2020.

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## ► Industrial Rent Growth anticipated (3yrs)

**INDUSTRIAL AND LOGISTICS RENTS WILL BE THE LEAST IMPACTED BY COVID**



EFFECTIVE RENT – ANNUALISED OVER THREE YEARS

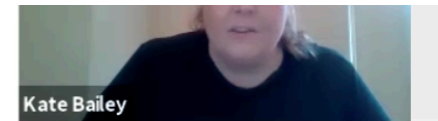


03:44

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- Capital Value Growth Positive for Industrial anticipated (3yrs)

## RETAIL SECTOR MOST EXPOSED TO CAPITAL DECLINES



ANNUALISED CAPITAL VALUE GROWTH Q1 2020 TO Q1 2023



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- Sales Volumes & Values Impact from Covid for Logistics transactions
- Deals taking a bit longer
- Pipeline of properties- close to pre-covid levels
- Industrial doubled transaction volume in Asia Pacific - so more investors adding these properties to their portfolios
- Pre-covid pricing for the prime properties, on long leases (eg supermarkets like Aldi on 20 year leasebacks.)
- 2% to 10% discount on secondary properties (older buildings, less secure leases etc)

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- Sales Volumes & Values Impact from Covid for Logistics transactions
- Less distress from vendors of industrial properties, and less desperate tenants also in this sector
- 3 to 5 years for finance- looking like it will stay low
- Valuations are very specific & now based on business and industry
- Secondary properties market- vacant buildings are suffering... Tenanted doing much better
- DD periods - Getting involved earlier (pre- final offer) dd periods taking longer at present- may stabilise over next 24 months

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- Sales Volumes & Values Impact from Covid for Logistics transactions
- 60 Day DD period being requested, due to finance and altered inspections etc... Most vendors reacting positively
- Some Vendors being more selective with buyers on DD terms also... depending on asset
- How is lockdown affecting the market?
- Most investors taking a longer term view... and volumes relatively steady... may slow down a bit from lockdown
- People getting used to The “New Normal” and still investing in industrial properties

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## ➤ Inspections

- Where possible inspections continuing - but if un-allowed... doing virtual inspections being done with 1 team member and the tenant & camera

## ➤ Changes to Valuations

- Vacancies from 6 months to 9 months on secondary assets
- Rental relief wasn't as bad as expected, in this sector, during these past months.
- Big corporates can demand bigger pre-lease deals on the prime market assets... compared to secondary assets.

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- Vacancies rising in Melbourne- will apply rental pressure to reduce rent and rental competition to attract tenants



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# YOUTUBE ROAD-SHOW **SUBSCRIBE**

The screenshot shows the YouTube channel page for 'Commercial Property Roadshow With Helen Tarrant'. At the top, there is a banner with the channel name and a blue background. Below the banner are five video thumbnails: a modern building, a whiteboard with diagrams, a red car on a road with the text 'New videos every Tuesday and Thursday!', a woman speaking outdoors, and a woman holding a phone. The channel name 'Commercial Property Roadshow With Helen Tarrant' is displayed with a profile picture and '186 subscribers'. To the right, there is a 'SUBSCRIBED' button and a notification bell icon, both with green arrows pointing to them. Below the channel name are navigation tabs: HOME, VIDEOS, PLAYLISTS, CHANNELS, DISCUSSION, and ABOUT. Under the 'Uploads' section, there are five video thumbnails with their titles and view counts:

- How To Create \$72,000 per year in Passive Income &...** (86 views • 5 days ago)
- COMMERCIAL PROPERTY INSPECTION Kuranda Villag...** (65 views • 6 days ago)
- COMMERCIAL PROPERTY ROADSHOW WITH HELEN...** (161 views • 1 week ago)
- COMMERCIAL PROPERTY ROADSHOW WITH HELEN...** (219 views • 2 weeks ago)
- FINDING YOUR TOP 3 COMMERCIAL PROPERTY...** (176 views • 2 weeks ago)

Keep updated with Helen's Tips and Strategies on her YouTube channel... **Commercial Property Roadshow with Helen Tarrant** - <https://www.youtube.com/channel/UCnw-fdCKbEScizdoTcGyDJw>

# PODCAST **SUBSCRIBE**



Keep updated with Helen's Tips and Strategies on her Podcast channel...

**Commercial Property Roadshow with Helen Tarrant**

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- <https://podcasts.apple.com/ph/podcast/commercial-property-roadshow-with-helen-tarrant/id1484804524?>