



# Property Sector Analysis and Forecasting Our Experience and Capabilities



COMMERCIAL PROPERTY

## Competitive proposals for research and forecasting solutions for the property industry

BIS Shrapnel has established an unrivalled reputation for its independent analysis and forecasting of property market trends around Australia. Our strength is in the methodology of both forecasting and assessment.

The property team has completed many customised research projects for clients and has a range of well-established multi-client research and forecasting services.

We aim to help our clients make the best decisions possible using the available data and transforming it into value-added research solutions.

### Single-client services

In performing private client work, we build upon our base of existing research and forecasting data from our multi-client studies using methodologies developed to tackle specific issues.

We can assist:

#### ■ Property investors and investment managers

- to provide growth assumptions for financial feasibilities
- with leasing strategies
- to evaluate expected risks and returns by sector
- formulate investment strategies, building in current and expected market conditions
- with supporting material for asset allocation

#### ■ Property users

- to evaluate corporate real estate strategies
- to understand the best way to fulfil space requirements
- to evaluate the logic of owning versus leasing

#### ■ Finance sector

- to undertake market risk assessment

#### ■ Developers

- to evaluate alternative land uses for sites
- to evaluate assumptions used in financial feasibilities
- consider specific developments within context of market outlook
- prepare prospectus and information memorandum material

#### ■ Government

- with the financial logic of asset sales programmes, focusing on timing and evaluation of alternative courses of action
- with policy evaluation and recommendations
- to evaluate submissions
- with advocacy issues



## Multi-client subscription services

The GFC has had a dramatic impact on construction, leasing and investment activity across Australia. In some markets we are now witnessing the first sign of recovery after a relatively shallow downturn, whilst in others the upswing is delayed by oversupply.

Our off-the-shelf reports consider the timing and strength of the next upswing for each market and the implications for leasing, investment and development decisions. By forecasting markets over a 10 year horizon, clients can analyse trends over the cycle when making property decisions.

### ■ Commercial Property, 2010 – 2020

BIS Shrapnel is recognised as Australia's pre-eminent forecaster across commercial property markets. Our approach is to build up a detailed understanding of the movements in property markets over a long time period – typically 40-50 years. This provides a solid basis for understanding longer term fundamentals and the cyclical dynamics of markets.

We analyse demand and supply for Australia's major capital cities and consider the implications for office rents, property values and investment returns. Reports are prepared twice yearly.

The following individual reports will be undertaken during 2010 and include a 10 year forecast horizon.

- Sydney Commercial Prospects
- Sydney Suburban Centres and Office Parks
- Melbourne Commercial Prospects
- Melbourne Near City and Suburban Centres
- Brisbane Commercial Prospects
- Perth Commercial Prospects
- Canberra Commercial Prospects
- Adelaide Commercial Prospects.

### ■ Retail Property

#### Retail Property Market Forecasts and Strategies, 2010 – 2020

This report focuses on the main classes of institutional investment in the retail sector, namely regional and subregional shopping centres. The annual report examines the overall structure of retailing in Australia and how this may change in the future.

On a state by state basis, the report:

- identifies the key drivers of demand and forecasts retail spending patterns, sector by sector;
- examines trends in supply and forecasts retail construction to 2020;
- discusses how the balance of demand and supply is reflected in rents, centre income and values; and
- provides information fundamental to making investment strategy decisions.

### ■ Bulky Goods Retailing Property Prospects, 2010 – 2015

This study of the bulky goods property market traces the development of the bulky goods phenomenon and assesses the current status and outlook for bulky goods retailing in Australia, particularly as the sector reaches a more mature phase. The report provides forecasts of consumer demand for bulky goods items, both by sub-sector and by state over the next five years.

It assesses future market balance, including:

- how well demand and supply are matched at the sub-metropolitan level;
- which areas offer the best development opportunities;
- potential for rental growth; and
- investment risk and return issues.

### ■ Industrial Property, 2010 – 2020

- Sydney Industrial Property Market
- Melbourne Industrial Property Market
- Brisbane Industrial Property Market

Analysing prime, secondary and high-tech markets, the reports aim to improve the understanding of the risks and

returns associated with investment in industrial property.

They examine the key issues affecting the balance between demand for and supply of industrial property and look at the prospects for metropolitan and regional markets.

Rents and values for prime, secondary and high-tech markets are forecast over the next decade.

### ■ Eastern Seaboard Hotel Market, 2010 – 2020

Our 2008 study will be updated if there is sufficient demand. The study focuses on the prospects for the sector (covering 3, 4 and 5 star accommodation) over the next decade and forecasts:

- demand and supply;
- occupancy rates, room rates and RevPAR;
- potential for capital growth and total returns;
- key risks to market participants over the next decade.

### ■ Residential Property

BIS Shrapnel advises on the various Australian residential markets. The company's strength is a detailed understanding of the forces driving demand and the emerging trends.

A full listing of our residential reports can be found on our web page, [www.bis.com.au](http://www.bis.com.au)

## Tools for research

### ■ Market forecasting

Our long term forecasts of individual markets, relying on our economic forecasts and industry sector analysis, underpin much of our customised research and analysis.

### ■ Client workshops

We can work with clients in a workshop forum to discuss current and forecast market conditions by sector, and examine implications for clients' businesses.

### ■ Market research

We undertake qualitative and quantitative research to cover a range of property issues on behalf of tenants, developers and owners. This may involve use of focus groups, in-depth interviewing or telephone surveys.



## Our property research and forecasting team

- **Frank Gelber** BSc, BEc, PhD, Director and Chief Economist  
Frank is involved in economic forecasting, modelling, researching cycles in property and economic activity and associated strategic implications for business. Frank presents BIS Shrapnel's analysis of the prospects for the Australian economy and property markets at the company's six-monthly forecasting conferences, and regularly conducts workshops for clients on the outlook for property sectors and implications for their businesses.
- **Beverley Taylor** BA, DipURP, DipUEM, Property Director  
Beverley is the manager of BIS Shrapnel's property unit and has extensive experience in property market research and consultancy based in the real estate and banking industries. In addition, Beverley has also practiced in town planning, both in statutory and strategic policy areas. Beverley was responsible for the first BIS Shrapnel studies of the Sydney, Melbourne and Brisbane industrial property markets and has been involved in qualitative market research studies. She currently focuses on client services and liaison, briefings, sales and team management.
- **Maria Lee** BA, MA, AAPI, Senior Property Analyst  
Maria has nearly 20 years' experience in property research and consultancy in the UK and Australia. She has worked in a variety of environments, giving her a broad perspective on property markets. In Australia, she has worked with BNZ Norths Stockbrokers, Growth Equities Mutual, Knight Frank and Paladin, and returned to BIS Shrapnel in 1999 after an earlier period with the company in 1994-95. Maria has undertaken research across all property sectors with BIS Shrapnel, focusing particularly on the retail and hotel property markets.
- **Christian Schilling** Dipl. Geogr., Senior Property Analyst  
Before joining BIS Shrapnel in June 1998, Christian was a Research Editor with Colliers Jardine/The University of Queensland, being involved in Asia Pacific-wide property and investment research publications. Since joining, Christian has taken responsibility for commercial property forecasting, and has contributed to economic impact studies and to projects on the financial evaluation of property ownership versus sale and lease-back. Christian has a background in consulting, and small business and academic research.
- **Angie Zigomanis** B. Business (Property), Senior Analyst  
Angie joined BIS Shrapnel in 1996 as their Melbourne-based residential property analyst. He previously worked as a research officer in the property consultancy, CB Richard Ellis. Angie has specialised in research on the residential property sector, completing BIS Shrapnel's Inner Melbourne, Sydney and Brisbane Apartment reports, studies on the first home buyer and early retirees sectors, as well as various private client assignments.
- **Lee Walker** M.Com, Dip Bus, Project Manager  
Lee joined BIS Shrapnel in 1999 and has worked on numerous reports across the Australian commercial and industrial property markets. These include the Sydney Commercial Property Prospects, Sydney Suburban Centres and Perth Commercial Property Prospects reports, as well as the Melbourne Industrial Market study. Each report contains long term forecasts of key market indicators as well as providing insight into the implications and strategies for market participants. Lee has also been involved in the preparation of economic impact studies, financial evaluation of major projects, as well as ad hoc private client studies and briefings.
- **Ronal Kumar** Research Analyst  
Ronal joined BIS Shrapnel in 2006 as a research assistant after working at the PCA. He is now involved in the preparation of multi client and customised reports across the commercial and industrial sectors.
- **Kristin West** B. Ec. Hons, Research Assistant  
Kristin joined BIS Shrapnel in 2007 and has been responsible for maintaining databases, preparing powerpoint presentations and data collection and analysis for a range of property studies.
- **Robert Fleming** B. Ec., Research Assistant  
Before joining BIS Shrapnel, Robert worked at Residex Pty Ltd preparing BIS reports on the residential property sector. Robert is currently involved in analysis and writing of our commercial and industrial property market studies.

## BIS Shrapnel

BIS Shrapnel offers an unmatched combination of strengths: economic analysis and forecasting, coupled with marketing intelligence gathering and analysis. No other research firm in Australia enjoys our pre-eminent reputation in forecasting.

Formed in 1964, BIS Shrapnel has built extensive expertise across a broad spectrum of industry sectors and geographic regions, and has developed a large portfolio of research methodologies, all of which we continue to expand.

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