

11 August 2009

*Edition Four*

## STRATA OFFICE MARKET BENEFITS FROM LOWER INTEREST RATES

Research indicated the value of office space may be stabilising or in some cases declining (particularly in CBD locations) and vacancy rates are up, but there is one sector of the property market which appears to be bucking market trends.

The strata office market is currently being buoyed by investors and owners looking to move out of the rental market into their own premises whilst benchmark interest rates are at their lowest in 50 years.

## STRATA OFFICE OFFERS MORE

Modern strata developments offer occupants a 'one stop shop' with facilities such as meeting rooms, cafes/restaurants, gyms and retail showroom accommodation. Many also offer the latest in information technology and communications, providing smaller businesses with access to sophisticated services typically reserved for larger corporates.



As an example, our development Nexus Norwest (left) has been designed to enable tenants to be able to quickly set up their own, highly secure network complete with telecommunications infrastructure and other IP-based services. Occupants have the choice to outsource the entire provisioning of their managed data network or choose a solution designed specifically to meet their business needs.

The beauty of strata office accommodation is that it is suited to investors, business owners and lessees. Investors benefit because the facilities attract strong interest from lessees and owner occupiers benefit as they and their staff have all their immediate needs met. Undoubtedly this combination has proved a successful formula within Norwest Business Park.

Recent research from CB Richard Ellis<sup>1</sup> showed that Norwest Business Park continued to be the standout performed in terms of strata office sales across the suburban markets. The business park is home to large amounts of strata stock and has continued to dominate in terms of total sales volume during 2009 with \$33.5m worth of sales.

At Capital Corporation, we've experienced this first hand as our strata office developments continually generate solid interest and are often fully committed prior to completion.

## FUNDING ALTERNATIVES AVAILABLE

Investors and business owners are increasingly savvy when it comes to identifying how to fund and structure these purchases. Legislative changes now allow Self Managed Super Funds (SMSF) to borrow to acquire residential and commercial property allowing company directors to use their available equity to finance their acquisition or join with other directors to fund an acquisition for the business. This is steadily gaining interest particularly as banks are tightening criteria on traditional lending products.

## PLAN NOW FOR FUTURE GROWTH

Take advantage of the current market. Capital Corporation will develop 70,000sqm of A Grade commercial office accommodation suited to investors, owner occupiers and lessees over the next three years.

As supply diminishes in the suburban market now is the ideal time to plan, identify and secure accommodation to meet your future business and investment needs.

We are able to cater to a large range of accommodation requirements from 50-20,000sqm.

*For further information about any of our developments  
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<sup>i</sup> 1 MarketView Sydney Strata Office and Retail, First Quarter 2009, CB Richard Ellis, [www.cbre.com.au/research](http://www.cbre.com.au/research)