

## Industrial / Commercial Property Market Update

### "YES THE MARKET HAS CHANGED"

As a specialist Industrial/Commercial real estate agency and property manager, we are at the forefront in identifying changes in the market.

The change in the residential market has been well documented in the press; however, the Industrial/Commercial market has largely been ignored.

Basically, we can tell you what you would like to hear, or we can tell you what is really going on in the market.

### How has it changed?

The reality is that the market has softened considerably in line with increasing interest rates and stricter lending criteria by financial institutions.

Investment yields have increased by a minimum .5% to 1.25%.

As an example, a quality property that would have achieved, say 7.25% this time last year is now more like 7.75% to 8.25%, the movement has been greater for secondary properties.

The owner occupier market has also fallen, whilst

### MULGRAVE



**5,766 sq.m. - LEASED!**

### MOUNT WAVERLEY



**1,174 sq.m. - LEASED!**

### NOBLE PARK



**3,140 sq.m. - LEASED!**

### MOUNT WAVERLEY

the percentage change cannot be quantified, as there are many variables, what is evident, is that many of the buyers have retreated from the market.

Some owners are also having to make adjustments to equity levels when refinancing given the current stricter lending and valuation criteria of many financial institutions.

### What now?

What we are going through at the moment is the unknown transition stage, with both vendors and purchasers trying to decide "will it get better or will it get worse" before they act.

Whilst the sale market has weakened, the leasing market has continued unchanged.

### What's the future?

Unless interest rates drop dramatically in the near future, or there is a sudden deterioration in the economy, we see the market stabilizing at the current levels for the foreseeable future.

Given the above, we see confidence returning to the market and activity increasing.

### How can we help?

We can assist you with your decision making process, including what action to take and the options available to maximize the value of your investment.

If you would like a realistic current market assessment of your property, or if we can assist with any property management issues, please do not hesitate to contact Steven Lawson on 0418 536 003 or by return email.



**1,557 sq.m. - LEASED!**

### NOTTING HILL



**1,665 sq.m. - LEASED!**

### MOUNT WAVERLEY



**SOLD!**

### CLAYTON



**2,100 sq.m. - SOLD!**

### MULGRAVE



**2,284 sq.m. - LEASED!**

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