

# Residential-Plus Growth Company Ltd

## Investment Update – November 2008

### General Comment

The residential market has broadly been static, and now declining since the 2003 boom. The tighter, and at times volatile, economic environment we find ourselves in today has caused further falls in building approvals and housing transactions generally.

The fall in building approvals in areas such as Sydney, will exacerbate the current dwelling shortage which has seen rental vacancy rates drop to historically low levels. With vacancy rates falling, pressure has been placed on rents, with average rents rising between 15-17% over the year to June 2008. High immigration levels will also continue to put pressure on the current dwelling stock.

However, and despite the Reserve Bank's cuts to interest rates and the Government's first home buyer incentives encouraging some additional market participation, we believe the market will remain subdued for some time to come.

### Underlying Investments

The portfolio has investments in two metropolitan regions, Sydney and Perth. A brief update on these is provided below.

#### Sydney

The Sydney portfolio currently consists of 60 properties with a total market value of \$43.97 million, representing 11 separate consolidation sites. In order to concentrate resources and the investment's remaining funds on the more significant rezoning opportunities, some of the less compelling properties have been earmarked for disposal. The remaining funds will be allocated to operational, planning and rezoning expenses, with some funds used to secure additional property opportunities that adjoin the existing consolidation sites.

There have been 11 consolidation sites of various sizes assembled with the intention to rezone to allow for higher density residential development.

A unit holders meeting for the underlying fund is convened for 10 December 2008 to vote on a proposed termination date for the Sydney investment. Investors will be updated on the outcome of this meeting.



## Perth

There are 18 assets in this investment located in Perth, Fremantle, Burswood and Lathlain, with a current value of \$44.32 million.

At the recent unit holder general meeting for the underlying fund, the disposal strategy tabled by the underlying Manager was approved and the termination date for the investment amended to the 31<sup>st</sup> December 2012.

## **Calls on Units**

Units in the Fund are paid up to 95.5 cents per unit, with another 4.5 cents per share remaining uncalled. We will advise you as soon as possible of any call, with at least 14 days notice.

## **Unit holder Information**

Should you have any enquiries regarding your unit holding, you should contact Registries Ltd on 02 9290 9600. If you have any questions regarding your investment in the Residential-Plus Growth Company Ltd, you should speak with your Financial Adviser in the first instance or contact us on 02 9250 6500.

Glen Castensen  
Chairman

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