ANZO PROPERTY GROUP

The networking group for Australian (API) & New Zealand (PINZ) Overseas
property professionals in London and the UK

September 2007

Committee Members:

Branch Chairman:

Philip Harcourt	Philip.Harcourt@collierscre.co.uk	**Ph 011 7917 2075**

Secretary:

Sid Kempton	Sid_Kempton@StandardandPoors.com	**Ph 020 7176 3961**

Other Committee Members:

Ross Burns	Ross.Burns@dtz.com	**Ph 020 7643 6560**
Jeremy Gray	Jeremy-gray@capshop.co.uk	**Ph 020 7960 1297**
Russell Harding	Rharding@clsholdings.com	**Ph 020 7582 7766**
Trinette Giborees	Trinette.Giborees@cbre.com	**Ph 020 7182 2864**

Website: www.ANZOproperty.com

Welcome to the third edition for 2007 of the ANZO Property Group newsletter. As always, a warm welcome to any of you who have recently made it over to the UK.

Our Next Event – Thursday 20th September 2007

Our next quarterly event is in just under two weeks. The team at CB Richard Ellis have kindly provided their private 6th floor roof terrace at their City offices for the event, so there definitely won't be any problems with space (or getting a drink) like the last event! As usual, there will be the usual free drinks (in true surveyors quantities!), but more importantly, CBRE are putting on a **BBQ** for us as well!

Date: Thursday 20th September 2007
Location: The 6th Floor Private Roof Terrace of CB Richard Ellis' offices, St Martins, Court, London, EC4M 7HP
Time: 6pm to late

As I said in my email a few months ago, we expect a pretty big turnout to this event. This is mainly due to the rumour that an artificial sun will be hoisted up on a crane nearby to ensure we have an authentic 'taste of home' having reached a fever pitch level.

Because of this, and so that we can organise the food and beverages accordingly, as well as get security passes for everyone, it is important that people who would like to attend let me know (including all you guys and girls that work at CBRE).

Please drop Sid Kempton a quick email to confirm if you (and any of your friends/colleagues) will be attending.

Also, feel free to bring your boardies and bikinis, to take advantage of the 'sun'. But to the Aussie blokes among us, no budgie smugglers please!

We hope to see you there.

ANZO Property Ball – Friday 26th October 2007

Ticket sales for the ball are going well, with over 70 people already signed on the dotted line.

We would recommend that you get your ticket orders in as soon as possible so as to avoid disappointment. The ticket booking form is below.

Date: Friday 26th October 2007
Location: The Great Hall, 1 Great George Street, London, SW1P 3AA
Time: Doors open at 7:00pm for a drinks reception. Dinner will be served from 8.00 pm. Carriages at 1am.
Dress: Formal

Tickets are available at £79 per person and include the following:
A grand London venue;

- One beer or glass of sparkling wine upon entry;
- Three course meal, including a bottle of wine per person;
- Fantastic new band;
- The chance to win a great door prize on the night;
- An opportunity to bid on a number of items in the charity auction;
- Four black jack and roulette tables (twice as many as last year) to bet on;
- Access to a cash bar serving alcohol just in case you finish your wine or you'd like something else.

Tables seat 10 people and tickets can be purchased individually or in groups of any number.

Just like last year, this is a charity event, with all proceeds shared between The Commonwealth War Graves Commission for the upkeep of ANZAC graves in Europe, and the ANZO Property Group.

Tickets are not restricted to just ANZO Property Group members but will be open to all Antipodean property professionals, be it surveyors, planners, lawyers, or financiers, their partners and friends.

Last year we had 164 members on the email list and 130 people at the event. At the end of July 2007 our membership numbers had grown by 49% to 244, and we only have 150 tickets available. So don't delay, order your tickets today!

For those who didn't go last year, there some photos of last years event on the 'ANZO Property Ball' page on our website. Alternatively, click on the following link
www.anzoproperty.com/ANZO Property Ball.htm

The ticket price of £79 per person is significantly less than what it is actually costing to organise the event (over £110/person), and the event wouldn't have been possible without the kind sponsorship from the following companies:

Platinum Sponsors:
Judd Farris Recruitment www.juddfarris.com
ANZ Expat Mortgages www.anz.com/uk/expatmortgages.asp

Gold Sponsor:
Bayleys United Kingdom www.bayleysnz.co.uk

Silver Sponsor:
Environmental Control Services Ltd www.ecsltd.org

We hope you can join us to make this an even more successful event than last year.

To order your tickets please fill in the form below and send it along with a cheque made out to 'Property Institute of New Zealand UK Branch', to Trinette Giborees, 36A Sandringham Road, London, NW2 5ER

Alternatively, please contact Trinette (Trinette.Giborees@cbre.com) to obtain details of how to transfer the money directly into the ANZO Property Group's bank account.

2007 ANZO PROPERTY BALL BOOKING FORM		
Name:		
Phone number & Email address:		
Total number of tickets required:		
Names of other attendees: (Important for door prize draw)		
Name and full postal address where you would like the tickets sent to:		
Any specific dietary requirements.		

Please note that seating will be allocated by the committee. However, all people listed on a single booking form will be seated at the same table.
Please tick here if you do not want to receive correspondence from any of our Platinum Sponsors ☐

Member Profiles
Member profiles give a little insight into the background of some of our members. Members are chosen at random and asked to give us a little background. This quarter we talked to Pene Jackson & Jeff Boardman.

Pene Jackson	
Age:	33
Marital Status:	Married
What is your hometown in NZ/Aus?	Auckland
What University did you go to?	Auckland University & Southbank in London
What degree did you do?	Bachelor of Property (At Auckland) Post Grad Diploma in Est Management (for my RICS at Southbank)
Where are you living in UK?	North-west London
How long have you been here?	Nine years
Who do you work for?	DTZ

What is your job title?	Associate Director, Global Corporate Services
What does that actually mean in plain English?	Work with corporate occupier clients who have responsibility for global real estate. The idea is that we provide a seamless service to these clients no matter where their property is located, so there can be a fair bit of travel. Job involves a mix of asset management, estate strategy, transaction management, consultancy and a bit of training ..... and of course generation of business for DTZ.
How long have you worked for them?	About 4 years
Is your current job different to what you did back home? Please explain.	I don't think anyone has a job here that's similar to what they did at home! Geographically speaking it couldn't be more different. I have been to Morocco, Tunisia, Cairo, St Petersberg and Bucharest to name a few. North African markets are not easy to work in as they are completely closed which is pretty unusual in this day and age.
How many jobs have you had since arriving?	Four, and they've each been better than the last.
Did you go through a recruitment company to get your current job? If so, who was it?	Yes, but they don't do surveying recruitment anymore. And I can't remember their name.
If it wasn't for a career in property, what was next on your list?	I think it was law.....but with the benefit of hindsight, I'm glad I didn't.
What are your top two tips for property professionals arriving in the UK?	I only have one tip.. it's quality not quantity. Avoid telling everyone how things are done in New Zealand/Australia - people will either see it as a criticism of how things are done here, or just plain irrelevant. Do as the English do and wait to be asked.
What is the best country you've been to while you have been in the Northern Hemisphere?	Best country would have to be Italy but the best place would be Amsterdam.
Why?	Italy - the food.... what more can I say.... they take it seriously so even at a petrol station on the motorway the food is fantastic. Plus it has style and sun. But Amsterdam is original with a young vibe and err..different things to do.
When was the last time you were back in NZ/Aus?	January 2007
Apart from the weather, what is the biggest difference between the UK and Home?	The amount of people almost everywhere you go in London
Apart from the weather, what's the worst part about living in the UK?	The worst thing is selling your house. The second worst thing is buying a house. Trying to do both simultaneously is probably even worse than the worst things put together. Goodness only knows why it hasn't got any easier over the years... best not get me started......
What's the best part?	Country pubs and going somewhere different for holidays.
What's your favourite website?	I don't have one.
And finally the 'Heathrow Injection' question: As a percentage of the weight you were when you first arrived, how much have you gained?	Well I'd like to believe that after 9 years I've averaged out at about the same as when I arrived........

Jeff Boardman	
Age:	28
Marital Status:	Single
What is your hometown in NZ/Aus?	Wellington
What University did you go to?	Massey University, Palmerston North
What degree did you do?	MBS Finance & Bachelor of Business Studies (VPM)
Where are you living in UK?	East London
How long have you been here?	Three years
Who do you work for?	DTZ
What is your job title?	Management Surveyor

What does that actually mean in plain English?	Paper shuffler and service charge spend thrift.
How long have you worked for them?	Two years
Is your current job different to what you did back home? Please explain.	Fairly similar although I worked for an occupier as opposed to a service provider - I also worked for ANZ in Sydney as part of the South Sydney Corporate lending team which was a bit different.
How many jobs have you had since arriving?	Two
Did you go through a recruitment company to get your current job? If so, who was it?	No - through a mail out to the ANZO webmail list.
If it wasn't for a career in property, what was next on your list?	Finance - I am still keen to revert to a role with a stronger financial emphasis
What are your top two tips for property professionals arriving in the UK?	1) Don't take the first job you get offered 2) Make sure you have at least two years NZ experience before making the trek!
What is the best country you've been to while you have been in the Northern Hemisphere?	Germany
Why?	I like the culture and style of life over there
When was the last time you were back in NZ/Aus?	April 2007
Apart from the weather, what is the biggest difference between the UK and Home?	Easyjet and Ryanair
Apart from the weather, what's the worst part about living in the UK?	The simple things in everyday life can be so complicated.
What's the best part?	There's so much to do you can really get lost at times.
What's your favourite website?	www.gumtree.com
And finally the 'Heathrow Injection' question: As a percentage of the weight you were when you first arrived, how much have you gained?	Only 5% to date, but I am sure plenty more is around the corner!

New Zealand Market Update – September 2007

<u>Reserve Bank responds to pressures in the New Zealand economy</u>
The July Official Cash Rate (OCR) increase by the Reserve Bank of New Zealand took it to 8.25 per cent. ANZ Economists see this as a response to ongoing tight resource pressures in the economy and rising dairy prices. With the NZD at historical highs and fixed mortgage rates now testing 9 percent, monetary policy looks to have evolved from the scientific approach towards a more judgemental one – an inevitable change that needs to occur at the end of cycles.

<u>Containing inflation</u>
The interest rate increase can also be seen as a pre-emptive move in response to structural changes in commodity prices. The prospect of higher oil and food prices in sustaining inflationary pressures is one of the factors behind the July move. We are in the midst of a structural shift in commodity prices, in which New Zealand stands to benefit. However, the rise in commodity prices does pose challenges for monetary policy. With food prices starting to rise and a real possibility of higher petrol prices when the New Zealand dollar eventually corrects, the Reserve Bank is looking to quickly contain inflation now to provide room to absorb the impact of structurally higher commodity prices.

There was much discussion in the lead up to the July decision about whether the currency would have any bearing. In the end, the Reserve Bank acknowledged that the currency is hurting exporters and repeated their message that the New Zealand dollar is not sustainable. By increasing rates in response to inflationary pressures, the Reserve Bank has shown a willingness to look through the current level of the exchange rate and focus on ensuring that inflation is contained.

Shift to neutral
While the interest rate increase was widely expected by financial markets, the Reserve Bank's shift to a neutral stance was not. It is difficult to go past this shift at least being partly directed at the currency, and also mindful of the political pressure and sensitivity regarding the upcoming inquiry into monetary policy. Of course, political considerations should be put to one side when setting monetary policy. But in reality, they can be influential. New Zealand is not alone in this regard. Just look at the sensitivity market watchers place on the election in Australia.

Challenges ahead
The challenge for the Reserve Bank at this juncture is to ensure that financial conditions remain restrictive enough to ensure domestic demand continues to moderate. Financial markets reacted to the Reserve Bank's dovish statement by sending the New Zealand dollar and swap yields lower. The further decline in the New Zealand dollar after the OCR decision, courtesy of credit concerns in the US, which saw the carry trade unwind, has seen financial conditions actually easing.

Over coming months, the challenge for the Reserve Bank is to keep the yield curve up and prevent the market from pricing in easings prematurely. Certainly, the Reserve Bank will be mindful of the early 2006 experience. However, in contrast to early 2006 the upcoming dataflow is not expected to collapse so markedly. Importantly, this should see the Reserve Bank maintain policy traction along the yield curve – fostering an eventual moderation in growth.

Easing cycle still a long way off
While most believe the current tightening cycle is finally over, any prospects of easings are still a long way off - late 2008. Ultimately, the Reserve Bank needs concrete signs that inflation is easing before they can contemplate cutting the OCR. As noted above, with structurally higher commodity prices placing upward pressure on prices, it may take some time for headline inflation to return comfortably to the middle of the target band. The currency is expected to be the main release valve that any weakness in the economy is expressed through.

Australian Housing Update – September 2007

Economic conditions remain supportive
Australia is currently in the midst of the strongest period of global economic growth since the late 1960s/early 1970s. The key to the remarkable global and domestic growth outcomes has been the taming of inflation. Consequently, interest rates have enjoyed a significant structural decline and despite recent modest rises, generally remain accommodative. Australia has enjoyed a 'golden' decade and a half without recession and the strength of current conditions in the household, business and public sectors (and the notable absence of any serious imbalances) suggest this record breaking run will be extended over the next few years.

However, the benefits of the commodity price boom have been shared unevenly across the states. Western Australia and Queensland continue to outperform, while New South Wales has languished and is effectively in recession. More recently Tasmania has experienced a similar slide, while Victorian growth has strengthened.

Housing set to rebound
Rate hikes continue to weigh heavily on developer sentiment and new dwelling approvals have fallen to an annualised 'completions' rate of under 140,000. This compares to underlying housing demand of almost 170,000 and is consequently driving a marked tightening of housing fundamentals. Rental vacancy rates have plummeted from 3.8% to just 1.4% in the past 3 years and a significant building shortfall in 2007 will force vacancy rates to 30-year lows below 1% by end-2007.

Chronic rental shortages in all capitals are expected to drive an acceleration of rents which will be the catalyst for improved investor and developer sentiment. Despite weakened housing affordability, auction clearance rates have rallied in 2007 and house prices continue to rise strongly, particularly in inner suburbs. A rekindling of investor interest should continue to support price growth although the prospect of further rate hikes may delay the true rebound until 2007-08.

National housing update
The Australian economy has maintained solid momentum into 2007 despite three interest rate hikes totalling 75 basis points in 2006. Higher interest rates have contributed to subdued housing

development activity and housing finance approvals. With new dwelling supply slipping even further below demand, the housing market will continue to tighten. This will exacerbate already severe rental shortages with vacancy rates in all capitals moving from approximately 4% in 2002 to a portended nadir below 1% in 2007-08. This is likely to drive rents significantly higher in coming years.

Despite a further two interest rate rises forecast for 2007, 'pent-up' dwelling demand will ultimately need to be satisfied, with critical dwelling shortages providing a catalyst for the next upturn in construction. In spite of interest rate hikes and difficult housing purchase affordability, 30-year lows in national unemployment and concomitant gains in household income are underpinning a financially healthier household sector. House prices continue to escalate (+8.3% in 2006) and will maintain solid growth in 2007 supported by buoyant household finances, renewed investor interest and tightening housing fundamentals.

Many thanks to Jennifer McKenzie and David Laird from the ANZ Expat Mortgages team who kindly offered to provide us with a quarterly snapshot of the NZ and Aus markets for each newsletter.

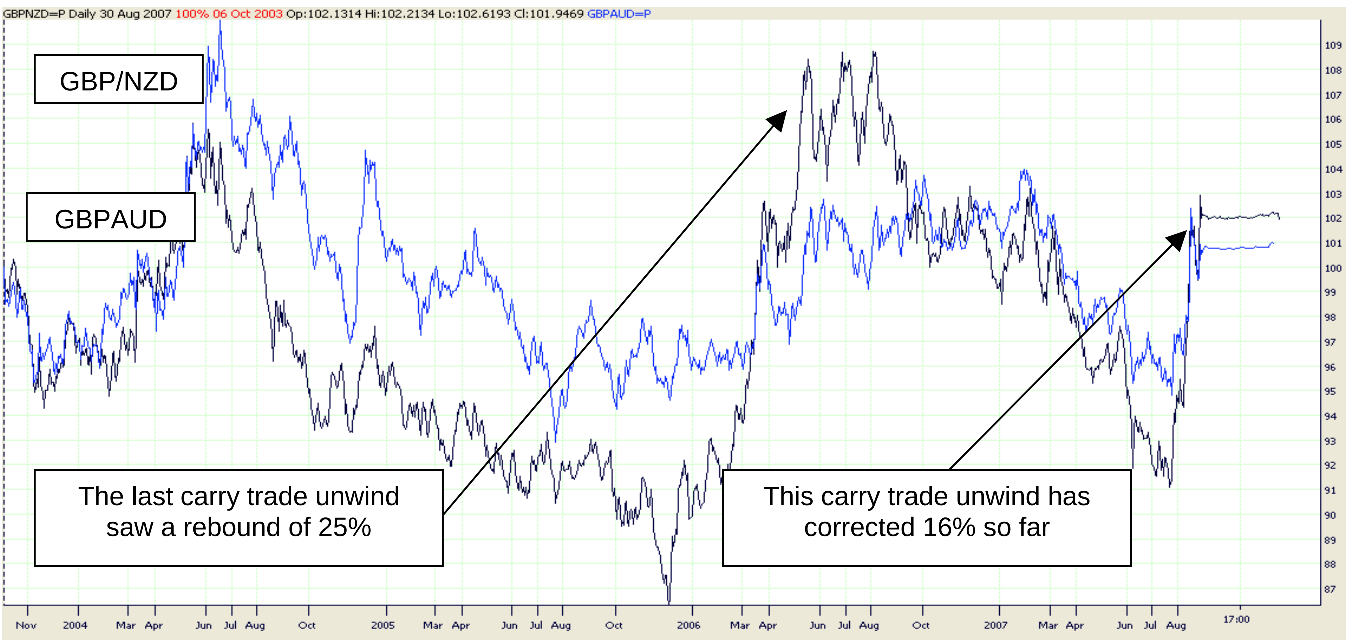
NZ and Australian Dollar Exchange Rate Analysis

The GBP/NZD has experienced the most volatile trading conditions over the last two weeks that I can remember rebounding from NZ$2.54 to NZ$2.95 and then bouncing up and down between NZ$2.75 and NZ$2.90.

The sub-prime mortgage market collapse in the US has spread globally and caused a credit crunch which has reduced investor's risk appetite for riskier assets or the carry-trade (where an investor borrows Yen at 0.5% to buy NZD denominated assets yielding 8.25%). This unwinding of the carry-trade has provided a 16% windfall for Kiwi dollar buyers in the space of a month and this market volatility should be taken advantage of. Central bankers have done a good job of injecting capital into the market and in the case of the US Federal Reserve, cutting the discount rate to elevate the liquidity crisis. This may well provide a boost to the stock markets and revive the carry-trade again which would be bad news for Kiwi dollar buyers. Buyers target NZ$2.90.

The GBP/AUD has mirrored the move in GBP/NZD for exactly the same reason – carry-trade unwinding. Within a month we have seen a 10% bounce from A$2.30 to A$2.55 and then range trading between A$2.40 and A$2.50.

The Aussie dollar weakness has nothing to do with falls in commodity prices, deteriorating growth prospects, lower interest rate expectations or house price corrections but everything to do with appetite for risk drying up as global stock markets take a hammering. The future of the Aussie and its trans-Tasman cousin the Kiwi is not in the hands of economic fundamentals but rather in the hands of Japanese financial institutions and their willingness to buy the ANZAC currencies for their superior interest yields - once bitten twice shy? Buyers target A$2.50.



Many thanks to Sam Stanley from Halo Financial who kindly offered to provide us with a bit more of a technical analysis than we are used to on the Pound vs our home country dollars for every newsletter.

Update on the UK Job Market – Thanks to our key partner - Judd Farris

In the current 'permanent' job market, there is an extremely high demand from employers for professionally qualified Surveyors across all professional disciplines, in particular, career-focused individuals with between 1 and 6 years' post qualified experience. The greatest demand stems from multi-disciplinary consulting and private practices on a local and international basis. Competition is high, creating a candidate driven market with key groups offering exceptional salary packages, structured career advancement, varied and interesting work with access to key clients and global opportunities.

The 'contract' market is extremely busy at present with a lot of our clients looking for property managers. Clients are looking for people ideally with some UK experience, however there are interesting opportunities for people with three months or more UK experience. Apart from looking for property managers clients are also looking for development surveyors, asset managers and chartered valuers.

The opportunities are based in and around London but we do have offices in Bristol, Birmingham and Manchester which also have contract vacancies.

For permanent roles please contact Lucy Ainsworth lucy.ainsworth@juddfarris.co.uk and for contract roles please call Ros Ewart ros.ewart@juddfarris.co.uk or Charlotte Holmes charlotte.holmes@juddfarris.co.uk Alternativley, their phone number is 0207 494 2555.

Current vacancies hot off the press from Judd Farris

Valuation – All levels. London £25-65k + depending upon experience

If you are working in a valuation team but are looking for a more varied role this could be for you. This team valued £25bn worth of property assets on behalf of leading financial institutions, corporates and public bodies. Apart from covering the main commercial property sectors, they also deal in more specialised areas such as motor trade, student housing, healthcare, leisure, residential development feasibility, minerals etc. They are now seeking a range of suitably qualified and motivated people to join their growing team.
lucy.ainsworth@juddfarris.co.uk Ref: LA18180

Shopping Centres. London £50-65k depending upon experience + up to 100% bonus

Fantastic opportunity for someone to join one the leading shopping centre asset management teams. They are looking for a management surveyor with excellent experience ideally within the retail market. The role will all aspects of day to day management as well as some asset. It is a unique department in a hugely successful company and an excellent opportunity for someone looking to fast track their career.
Contact: lucy.ainsworth@juddfarris.co.uk Ref: LA14464

Estates Surveyor. 3 months

Our client is looking for an experienced property manager to start immediately. You will be skilled in landlord and tenant and be able to work alone or as part of a team. On a daily basis you will be negotiating terms of leases, licences, wayleaves and easements and valuing property assets. This is an ideal opportunity to work in a friendly team environment and utilise your skills.
Contact: ros.ewart@juddfarris.co.uk Ref: RE 22947

Corporate Real Estate Surveyor. 6 months. Central London – Up to £30 ph

A leading consultancy is looking for a corporate real estate surveyor to provide strategic real estate advice to clients. You will need experience in acquisitions, disposals, rent review and lease renewals and be able to control costs and maximise income.
Contact: charlotte.holmes@juddfarris.co.uk Ref: CH22814

Rugby world Cup
The rugby world cup starts on Friday, with host nation France kicking off against Argentina in Saint-Denis. Obviously, most people will be waiting for the REAL games to start on Saturday, with New Zealand taking on Italy and Australia taking on Japan.

Some would argue that the final result is too close too call, but we all know that its either going to be New Zealand, Australia, or South Africa, and that England wont have a chance since their 'one kick wonder' isn't playing this year!

Don't forget that the ANZO Property Ball is on the week after the final match, so it will be a great opportunity for half of us to celebrate, and half of us to sulk!

ANZO Property Group Video Pick
http://news.hereisthecity.com/news/business_news/7011.cntns

Mailing List / Missing Persons
Sid Kempton undertakes the role of keeping peoples contact details up to date. Every time a newsletter gets sent out, multiple emails get bounced back. These people then get deleted off the contact list unless we have new contact details. But before we do that, they get one last chance in the 'Missing Persons' section of the newsletter. If you happen to know the new contact details of these people, please let any of the committee members know.

Please remember to email Sid if you change jobs/email addresses so that you are kept up to date. Also, as always, if you know of New Zealanders, Australians, or any other Colonials working within the property industry who would like to be on the mailing list then please get in touch.

Giles Edwards – Ex CBRE
Michelle Hughes – Ex Phoenix Beard
Alistair Johnstone – Ex Hartnell Taylor Cook
JoanneKing – Ex DTZ
Michael Mcgrath – Ex Jones Lang LaSalle
Jeff Pickthall – Ex Savills
Matthew Walker – Ex GPT Group

Suggestions
We would welcome any comments, suggestions or even articles that people may like to submit. Please contact Sid Kempton at Sid_Kempton@StandardandPoors.com

Regards
Sid Kempton
Newsletter Writer for the ANZO Property Group