



ANZO PROPERTY GROUP

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

March 2008

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 first edition for 2008 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 1st May 2008

Our next event will be held at the Ramada Hyde Park, 150 Bayswater Road, London W2 4RT. Compass Property Investments www.compasspropertyinvestments.com in conjunction with ASB Bank will be giving an informative and educational presentation, where you will hear...

- Richard Hackett – an expat Kiwi – present his own case study on how he qualified for – and received - NZ\$133,000 in property tax credits for five investment properties upon returning home to New Zealand.
- A leading NZ property accountant, Alan Brown, offer his own tips, techniques and advice for expat Kiwis looking to invest in rent guaranteed residential property in prime growth locations back home.
- A compelling “inside look” at how UK-based investors - expat or otherwise -can get the NZ Government to GUARANTEE THE RENT on New Zealand investment properties for 10 years or longer!
- An ASB Bank executive explain how they can make the process of investment property acquisition in New Zealand far easier than it sounds.
- An “advice-packed” Q&A session following the speaker presentations + an opportunity to pre book 1-1 meetings with NZ Property Accountant Alan Brown.

When: May 1, 2008

Where: Ramada Hyde Park, 150 Bayswater Road, London W2 4RT

Time: Registration and drinks from 6.00pm. The presentation starts at 6.30pm and will be followed by further drinks and some nibbles.

Cost: No Charge – however, pre-registration is essential. Go to www.taxcreditgoldmineseminar.com and choose the “ANZO Members Only” seminar. Alternatively, you can email Sid Kempton

sid_kempton@standardandpoors.com to reserve your place (and yes, your partners are welcome to this event).

Obviously this event is slightly more aligned towards our Kiwi colleagues, but all of you Aussies out there, don't be afraid to come along because the accountant, Alan Brown, also has extensive knowledge on how things work in Australia too. But if that isn't incentive enough, everyone who registers on their website (including all the other people who register on the other days), **will go in the draw to win return flights to New Zealand.**

A Sporting Evening With The Black Caps

The Black Caps are in London to kick off their UK tour in early May. For the cricket fans amongst us, you have the opportunity to join Daniel Vettori and the team at The Plaisterers Hall, One London Wall, EC2 on Monday 12th May.

Enjoy an evening of sumptuous food, unlimited drinks and fascinating insights from the team, all in the wonderful surroundings of the Plaisterers' Livery Hall, in the heart of the City of London. The evening is being hosted by ex-England cricketer Chris Cowdrey and doyen of cricket broadcasting, Pat Murphy (BBC Radio 5 Live).

The dinner is in aid of the New Zealand Cricket Players Association and the PCA Benevolent Fund, which as a professional players association supports players past and present.

Ticket/table prices and further details are available on the following website
http://www.eventwise.co.uk/asp/HospPackage_1127.asp

To book your individual place or table, or for further details, please call Emily Brittain at EventWise Hospitality on 0207 381 9319 or email emily.brittain@eventwise.co.uk for your booking form.

ANZO Online Survey

A huge thank you to all of you who took the time to fill in the ANZO member survey last month. Some of you took a lot longer than others to fill it in, as the stats that the website spits out told me that the slowest person took an astounding 5 hours and 15 minutes, but the average time was a more leisurely 7 minutes. Out of our 320 members, we had a pretty impressive 34% response rate (this is apparently higher than 'normal' for surveys). Key issues that came out of the survey are summarised below:

NETWORKING EVENTS

Reasons why people attend our networking events are for:

Networking and making contacts to further genuine business interests (31%); Catch up with mates (26%); Free Booze and food (19%); Hoping to find a contact for a new job (8%); Keeping up to date with UK & home issues (8%); As you can count them as CPD (6%); Other reasons (2%).

Suggestions on how we can improve our networking events and if people haven't attended, why:

Only 31 people (29%) made suggestions on how we can improve our events, which means that we must be doing most things pretty well. We got some entertaining responses from a couple of members on this point. The best two were: *Better looking birds*, and *Lap Dances for committee members*.

Of the other suggestions we did get, the huge majority were for *Key issue speakers/discussions and not just boozing (42%); and More spacious and private venues (29%)*. Other suggestions that came up more than once or twice were *More food; Non-alcoholic drinks; and Having name tags*. For the people who hadn't been to any of the events, the majority of reasons were due to *having other commitments and being too busy (71%)* or they *Live outside of London (20%)*. One old timer thought that he/she was too old to attend.

Would members be prepared to pay to attend the networking events:

The majority (80%) of respondents said that they would be prepared to pay a small amount to attend the quarterly networking events. Most of these people (51%) said they would be prepared to stump up £5 per event to help extend the bar/food tab a bit longer, and 29% were willing to pay £10 per event (29%). 20% of respondents thought they should remain free.

CPD EVENTS

If the committee organised quarterly CPD events, would members attend and how much would they be prepared to pay:

A very positive response for this one. It seems that we had incorrectly assumed that most people's places of work provided them with enough CPD, as only 8% of people said that this was the case. 79% of people said they *would attend CPD events as long as the topics were relevant to their line of work*; with the remaining 13% saying they didn't need to do CPD.

Like the networking event costs, the majority (79%) said that they would be prepared to pay something to attend the events, with 43% saying £5 per event, and 36% saying £10 per event. The remaining 21% felt they should be free.

ANZO PROPERTY BALL

Have you attended either of the ANZO Property Balls:

Some disappointing results here, with 76% saying no, 3% saying 2006 only; 16% saying 2007 only; and only 5% saying both. The suggestions we got from those that had been was *you do a pretty good job (52%); A different band (15%); More alcohol (12%); A different location (6%); More gaming tables (6%); More raffles (6%); Change it from a Friday to a Thursday night (3%); and other various reasons (6%)*.

But the news wasn't quite as bad as we first thought, with the two main reasons for not attending being people were *too busy/not available (36%)*, and *the tickets being too expensive (25%)*. Other reasons included *having a dislike of balls, not living in London and not knowing anyone who was going*.

ANZOPROPERTY.COM WEBSITE

Have you visited the website and what pages do you look at and find most useful:

77% of respondents had been onto the ANZOProperty.com website which is great, with 47% visiting at least a few times or more. It's good to see that there are some die-hard fans who are regular visitors to the site (8%).

No major surprises that the most popular page on the site is the Home Page (32%). Others included Events Calendar (26%); Newsletters (11%); Jobs 10%; and Useful Stuff (7%). All the other pages collectively made up the remaining (14%)

The pages that people found most useful were the Events Calendar (26%); Home Page (20%); Useful Stuff (13%) and Jobs page (12%).

NEWSLETTER

It was good to hear that we are doing well with the newsletters, with very few suggestions on changes. The sections people found most useful in the newsletter were, *What/when the next event is (20%); Member Profiles (13%); Members personal experiences with the RICS APC process (12%); NZ & Aussie Market Updates (11%); Interesting news from home (11%); Current Job vacancies (8%); Current job market overview (7%); Exchange rate analysis (7%); and other sections (11%)*.

MEMBERSHIPS

We've got a pretty even number of API (20%) and RICS (23%) members in the ranks, but PINZ members have a majority (35%). The remaining 22% not being a member of any of these institutions.

Of the people who do have memberships, it was fairly even between the people who thought that *they did get value for money from their membership (43%)* and who felt *they didn't get value for money (57%)*.

Quite a few people had a few comments to make about memberships, with the most common issues being:

- *Membership fees should be funnelled to the ANZO Property Group while members are in the UK;*
- *If you are a member of anything apart from the RICS in the UK, it is of no value when getting a job. However, as a registered valuer, you have to keep paying your membership fees;*
- *The Australian Property Institute fails to even recognise that any of its members are in the UK. At least the PINZ does this, but they don't provide any financial support to a group who will eventually come back home and be the leaders of the property industry. In contrast, the RICS is very active in promoting its members both young and old, across all parts of the*

world. ANZO should drop the PINZ & API and align themselves with the RICS - as they will be the only globally recognised professional body for property people in the future.

WINNER OF THE PRIZE DRAW

Of the 50 people who left their contact details, our randomly chosen winner of the T-Shirt from RetroKiwi.com or RetroAussie.com was Graeme Gunthorp. Congratulations.

Once again, thank you to those of you who took the time to do the survey and providing the committee with some extremely helpful feedback. We hope to implement as many of the suggestions that we've had throughout 2008.

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 Tim Worth and Tony Pearson who work at JLL and Sussex Surveyors, respectively.

Tim Worth	
Age:	24
Marital Status:	Single
What is your hometown in NZ/Aus?	Australia
What University did you go to?	Edith Cowan
What degree did you do?	Bachelor of Commerce
Where are you living in UK?	Good old Putney, like everyone else!
How long have you been here?	5 months
Who do you work for?	Jones Lang LaSalle
What is your job title?	Surveyor
What does that actually mean in plain English?	I liaise with the Landlords & Tenants on all matters which involve the building
How long have you worked for them?	The whole 5 months I've been here, but did work for JLL back home
Is your current job different to what you did back home? Please explain.	The fundamentals are basically the same but where it differs is relying on other departments on projects. It may involve 3 other departments & their reviews to get from start to finish whereas back home you basically did it all yourself.
How many jobs have you had since arriving?	Just this one
Did you go through a recruitment company to get your current job? If so, who was it?	No, got the job through a transfer
If it wasn't for a career in property, what was next on your list?	There was nothing else on the list. I wasn't entirely sure the property industry was for me but since starting my career when I was 20, I haven't looked back.
What are your top two tips for property professionals arriving in the UK?	Read the Estates Gazette & Property Week every week and secondly catch the bus or walk the streets instead of catching the tube to familiarise yourself with London quicker.
What is the best country you've been to while you have been in the Northern Hemisphere?	Germany
Why?	Pork & steins, is there anything more to life?
When was the last time you were back in NZ/Aus?	December for Christmas
Apart from the weather, what is the biggest difference between the UK and Home?	The nightlife, it completely out weighs back home
Apart from the weather, what's the worst part about living in the UK?	Not having a BBQ
What's the best part?	You have the rest of Europe at your back door step to tavel at your leisure
What's your favourite website?	TNT.co.uk, but prefer actually reading it.
And finally the 'Heathrow Injection' question: As a percentage of the weight you were when you first arrived, how much have you gained?	0% actually. I've made it such a priority not to get it that I hit the gym 4-5 times a week. I also wanted to prove to my brother he would be wrong about me!

Tony Pearson	
Age:	37
Marital Status:	Married
What is your hometown in NZ/Aus?	Napier, NZ
What University did you go to?	Massey in Palmy
What degree did you do?	BBS
Where are you living in UK?	Haywards Heath, West Sussex
How long have you been here?	9 years
Who do you work for?	Sussex Surveyors LLP (in Hove actually!)
What is your job title?	Valuation Surveyor
What does that actually mean in plain English?	Complete Mortgage Val's and Home Buyer Surveys, mostly on Resi property.
How long have you worked for them?	4 years in June
Is your current job different to what you did back home? Please explain.	Valuations side is exactly the same. Home Buyers is different.
How many jobs have you had since arriving?	Counting the one day stacking cases of beer coming off a production line and current job - 7.
Did you go through a recruitment company to get your current job? If so, who was it?	No, just emailed everyone I'd ever met and about 3 job offers came in.
If it wasn't for a career in property, what was next on your list?	Probably a Structural Engineer or a truck driver.
What are your top two tips for property professionals arriving in the UK?	Get out of London to work - driving to work sure beats using the tube, but do work in London for a while and enjoy the theatres etc etc on your door step.
What is the best country you've been to while you have been in the Northern Hemisphere?	Hard to narrow down from Italy, Scotland and Gibraltar
Why?	Italy - food, red wine and history; Scotland - scenery similar to NZ, but with ruined castles; Gib - the rock is an impressive sight but still wondering why its called Gib Board in NZ!
When was the last time you were back in NZ/Aus?	mid Jan to mid Feb this year.
Apart from the weather, what is the biggest difference between the UK and Home?	The history
Apart from the weather, what's the worst part about living in the UK?	Too many people
What's the best part?	Earning pounds
What's your favourite website?	I spend most time on rightmove or egpropertylink.com with work. Either bbc.co.uk or tvnz.co.nz for news etc from home.
And finally the 'Heathrow Injection' question: As a percentage of the weight you were when you first arrived, how much have you gained?	Too much!

New Zealand Market Update

ANZ have updated their demand-supply housing balance measures for data to December. Despite the valiant attempts of Auckland and Nelson-Marlborough, the supply-demand scales are tipped in the supply direction.

They monitor two simple gauges to highlight supply-demand balance within the property market and across the regions. Firstly, on the supply side, they monitor the ratio of building consents to economic growth within a region. If consents are growing faster than baseline demand within the region, it is indicative of excess supply, and of course the converse applies. Secondly, they analyse the ratio of house sales to consents. This is another supply-demand balance measure with an up-tick in the ratio indicating excess demand, and a fall below trend suggesting a supply glut pending.

So what do the gauges show?

The housing supply-demand balance across the regions can be broadly grouped into three distinct clusters:

- > Nelson-Marlborough has joined Auckland with both measures indicating an excess of housing demand. The ratio of consents to GDP remains below trend (too little supply). The ratio of sales to consents fell, but it still remains indicative of excess demand.
- > The demand-to-supply conditions are mixed in Northland, Waikato, Bay of Plenty, Wellington, Canterbury and Otago.

> There is a marked excess of housing supply in Gisborne, Hawke's Bay, Taranaki, Manawatu-Wanganui, West Coast and Southland.

The upshot..

Despite the valiant attempt of Auckland and Nelson-Marlborough, the supply-demand scales are gradually tipping in one direction. Two regions remain in the strong demand quadrant. Seven regions are in the rather grey neutral area getting an excess demand signal from one indicator but excess supply from another. Six regions are in the excess supply category. Our gauges are calculated on a quarterly frequency and thus aren't available past December, when house sales have since eased further and sale times lengthened.

Australian Property Market Update

Strong population growth and a buoyant economy have been driving the property markets in Australia, providing good opportunities for investors who want some exposure to bricks and mortar. But this market growth is far from uniform and some residential markets, particularly in the outer suburban mortgage belts of Melbourne and Sydney, are going backwards. This will be exacerbated as the double whammy of rising interest rates and negative equity sees owners and mortgagees in possession trying to bail out.

There are also storm clouds on the horizon thanks to the problems in the US sub-prime mortgage market. This crisis, plus rising oil prices, has the potential to drive the US economy into a recession that could reverberate around the world. Already in Australia, investors in Centro, the second biggest listed retail property trust, have felt the pain from the US debt crisis.

But the news isn't all bad.

As far as residential property goes, Melbourne, Canberra, Adelaide and Brisbane are the four capital cities where the market is moving up, according to figures from Australian Property Monitors (APM), a provider of up-to-date property sales data.

Over the next couple of years, many analysts expect Brisbane to experience the strongest price growth and Perth the lowest, with most other markets also doing relatively well (see table at the end of this article). And according to Cornish, there is a solid demand for inner-city areas in most capitals.

Many thanks to Jennifer McKenzie jennifer.mckenzie@anz.com and the rest of the team at ANZ Expat Mortgages who kindly offered to provide us with a quarterly snapshot of the NZ market for each newsletter.

NZ and Australian Dollar Exchange Rate Analysis

Our usual analysis is provided by Sam Stanley at Halo Financial, but unfortunately he wasn't able to give us any of his words of wisdom for this newsletter, so I've put together a very brief summary of Halo's most recent newsletters.

The NZD carry-trade carries on trading

The NZD/USD hit a new 24-year post-float high of \$0.82 on the 27th of February, benefiting from resurgence in uridashi bond issues, or the carry-trade where Japanese investors borrow Yen domestically at 0.5% to invest in NZD dominated bonds issued in Japan yielding 8.25%.

So nothing new, the Kiwi is strong due to support from high interest rates and high commodity prices and there is no end in site for the fall in GBP/NZD which has fallen 4% or 10 cents in a month.

The Reserve Bank of New Zealand recently announced no change to interest rates and no signal of a change to come.

The Kiwi dollar's recent strength has been mainly due to its strong tie with its Trans-Tasman cousin the AUD which has surged. In NZ weaker housing, retail sales, business outlook survey and the drought show NZ is not immune to economic slowdown.

So where to now? The trend is still firmly lower. Expecting better levels to buy Kiwi dollars is always possible in a currency pair as volatile as GBP/NZD, but holding out for these levels whilst the market drops has proven a poor strategy. We see no reason why the next few months will be any different. Yes we will certainly see decent rallies higher but from what levels?

The RBA is the only central bank in the developed world that is hiking rates in 2008

GBP/AUD continues it fall lower losing 20 cents or 8% in a month. The Reserve Bank of Australia (RBA) revealed in their minutes to the Monetary Policy Committee's meeting on the 5th February that they considered a 0.50% hike in interest rates rather than the actual 0.25% hike. Interest rates currently sit at 7.00% and the market perception is for two more 0.25% hikes in March and April taking interest rates to a heady 7.50%. There is now however a real possibility that the RBA will raise a full 0.50% next month in an attempt to head off elevated inflation pressures.

Higher commodity prices are also providing the Australian Dollar with a boost as some analysts expect higher iron ore and coal prices to vastly improve export receipts and the trade deficit.

So where to now? The trend is still firmly lower. Expecting better levels to buy Aussie is always possible in a currency pair as volatile as GBP/AUD, but holding out for these levels whilst the market drops has proven a poor strategy. We see no reason why the next few months will be any different. Yes we may see a 10 cent bounce, but who's to say this will not be from A\$1.95.

AUD/USD is now close to a 24-year high just below \$0.92 and some analysts are targeting parity with the USD this year. With the outlook for the pound poor in our opinion against the USD, this is not a great mix for this year.

Many thanks to Sam Stanley sam.stanley@halofinancial.com from Halo Financial who kindly sent me through these newsletters.

Judd Farris team profile

Even though there is always a good turnout from the Judd Farris crew at our events, we've had a few people say "where are the guys from Judd Farris". So, we thought we'd start a 'profile' section, so you know who to look out for next time. First up is Hayley Wilson from the London office.



With recent experience managing a start up agency in Singapore Hayley has been bought on to specifically develop the presence of Judd Farris in the European Property markets. Her client base covers Consultancies, Fund & Property Companies. Hayley brings with her global experience in Recruitment having recruited in the following markets; New Zealand, Singapore, Hong Kong and London. Hayley graduated from the University of Otago, NZ in 2002 with a BCom Dip Grad in Accounting & Management. You can contact Hayley on (+44) 20 7494 2555 Hayley.Wilson@juddfarris.co.uk

Current vacancies hot off the press from Judd Farris

PROPERTY / ASSET MANAGER. West End, London. Part time, £45k pro rata'd

A leading private practice is looking for someone to assist with managing their Office Portfolio (includes a bit of Retail) in an efficient and pro-active manner in order to maximise investment returns. They will also undertake the necessary professional work involved, dealing with rent reviews, lease renewals, assignments, underlettings, licences and cash flow appraisals to support transactions. The successful candidate will also need to carry out the day to day management of a number of properties and contribute to the portfolio management as a whole.

Contact Charlotte Holmes charlotte.holmes@juddfarris.co.uk Ref: CH/24852

MANAGEMENT SURVEOR. West End, London. Up to £25 ph (1 year contract)

Our client is looking for an experienced surveyor to work as part of the team managing a prestigious retail and office portfolio across the UK. The Surveyor will have responsibility for the North & East region (supported by a Property Manager). The role will involve working closely with the Asset Manager and working from the client's offices in the west end one/two days a week. The ideal candidate will be an innovative team player who is flexible and adaptable. Contact Sarah Taylor sarah.taylor@juddfarris.co.uk Ref: ST/24905

CORPORATE VALUATIONS SURVEYOR. West End, London - £45,000-£55,000 + Package

Our client is a leading property consultancy. They are looking to recruit a Surveyor up to Associate level to focus on corporate valuations. The team is currently growing and expanding and they need a professional Valuer with solid experience that can maintain an excellent level of service with their clients. The work is incredible varied dealing with property types from football stadiums, airports, to large mixed used developments. The team is fun and very social and team fit is essential. Contact Abby Puddick abby.puddick@juddfarris.co.uk Ref – ABBY/22386

INVESTMENT SURVEYOR. Prague, Czech Republic. £40k + Benefits + Bonus

Does a comfortable, social ex pat lifestyle, low taxes and rapid expansion plans interest you? Our client is looking for an experienced Surveyor to join their Capital Markets Team. In this role you will be working in a team of five experienced Investment Agents and will be heavily involved in advising clients on Acquisitions & Disposals of high end Commercial Property. Our client has an excellent reputation in the market as well as global, structured career progression opportunities. The role will offer travel throughout central Europe. A minimum of two years relevant post qualification experience is required. A Valuation background, although advantageous is not necessary. Contact Hayley Wilson hayley.wilson@juddfarris.co.uk Ref: HW/25015

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.

Riaz Azadi – Hypo Real Estate International Bank
Steve Bennett – Drivers Jonas
Jeffrey Boardman – DTZ
Brook Burton – CBRE
Lachlan Gerrard – CBRE
Martina Harmata – CBRE
David Harris – Stockland Halladale
Richard Hooper – Societe Generale
Matthew Martin – Martin de Varga
Shelley Maxwell – CBRE
Shaun Mullin – West LB
Sean Pacey – CBRE Hotels
Matthew Rowbotham – Lambert Smith Hampton
Colin Taylor – Centro Properties (Europe) Ltd
Anna Trubuhovich – TIC

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.

Committee Members

You Aussies are fast building up a significant presence on our membership database, but sadly we haven't got any of you on our committee. We'd love to have two or three Aussies on board, to help

us to provide more Aussie specific content, and also to spread (the already light) load of running the ANZO Property Group. If you are interested, please contact Sid Kempton at Sid_Kempton@StandardandPoors.com

Suggestions

Even though we got some pretty good feedback about the newsletter from our recent online survey, we would welcome any comments, suggestions or even articles that people may like to submit. Please contact Sid Kempton at Sid_Kempton@StandardandPoors.com

Website

We are in the process of working on a total redesign of our website, www.ANZOproperty.com So thank you to those people who offered their services on this front.

Regards

Sid Kempton

Newsletter Writer for the ANZO Property Group