

# ELERMORE PROPERTY SYNDICATE



## SYNDICATE OVERVIEW & UPDATE

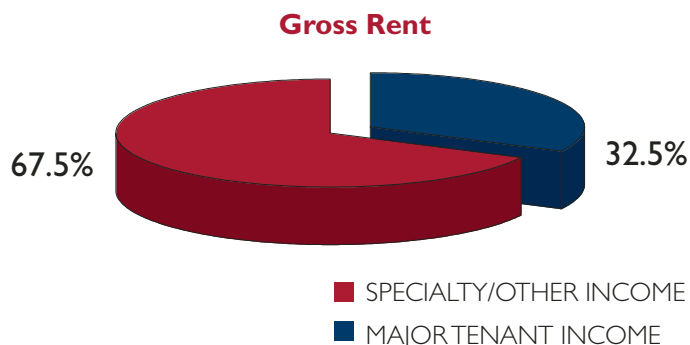
The Syndicate commenced on the 10th of November 2001 after the acquisition of Elermore Vale Shopping Centre in Newcastle NSW.

In December 2005, the Elermore Vale Shopping Centre was revalued at \$10,900,000, representing a 68.99% increase over its purchase price of \$6,450,000 in November 2001.

As seen from the table below, distributions for the syndicate since its inception have all been above expectations. The most recent annualised quarterly distribution was 11.20% this in line with our forecasts.

ELERMORE PROPERTY SYNDICATE	
Year End	Actual
30-Jun-02	10.68%
30-Jun-03	11.17%
30-Jun-04	10.60%
30-Jun-05	11.52%

As seen from the chart below the well established Bi-Lo Supermarket contributes 32.5% of gross income generated by the shopping centre.

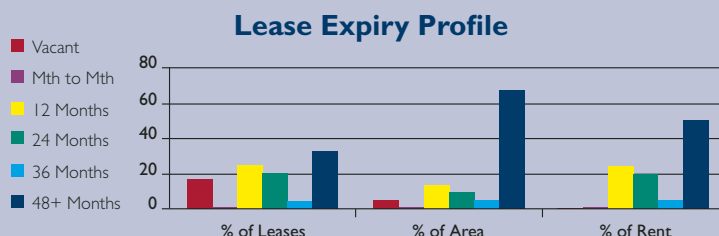


## ELERMORE VALE SHOPPING CENTRE

<b>Location</b>	Elermore Vale, Newcastle, NSW
<b>Type of Property</b>	Neighbourhood Shopping Centre
<b>Purchase Price</b>	\$6,450,000
<b>Valuation (at December 05)</b>	\$10,900,000
<b>% Increase</b>	68.99%
<b>Current Gross Income pa</b>	\$1,146,295
<b>Major Tenant</b>	Bi-Lo
<b>Expires</b>	2014 Options: 2 x 5 years
<b>Anchor Tenant % of Floor Area</b>	58%
<b>Anchor Tenant % Gross Rental</b>	32.5%
<b>Key Specialty Tenants</b>	Soul Pattinson Chemist Elermore Medical Pty Ltd Civic Video Elermore Newsagency
<b>Total Floor Area</b>	3,968.3 sqm
<b>Car Parking Spaces</b>	235
<b>Number of Specialty Tenancies</b>	20

Elermore Shopping Centre has a site area of 1.95 hectares and has a frontage to Croudace Road of 178.23 metres. Croudace Road is the principal road within the suburb of Elermore Vale and as a result the Centre enjoys good vehicular exposure. The building was originally constructed in the 1970s and has more recently been extended and refurbished in 1999.

As seen from the graph below the lease expiry profile of the Centre is heavily distributed over 2006, 2007 and 2008. There are minimal vacancies at the Centre and our managing agent is in negotiations with potential tenants in the expectation the vacancies will be leased in the near future.



The major Bi-Lo supermarket at Elermore has experienced steady growth in 2005 with a positive growth in Moving Annual Turnover. The benefits of these increases will flow directly onto investors in the form of percentage rent payments.

The proposed refurbishment of the Centre scheduled for mid 2006 will enhance overall sales performance and facilitate the tenancy remix strategy, which is focused on renewal of leases with long established, successful tenants within the Centre whilst also attracting new retailers to strengthen the lease profile.

The average specialty rent of the Centre is \$382p/sqm. The refurbishment and proposed capital investment will underpin rental growth for the assured long term performance of the Shopping Centre.