

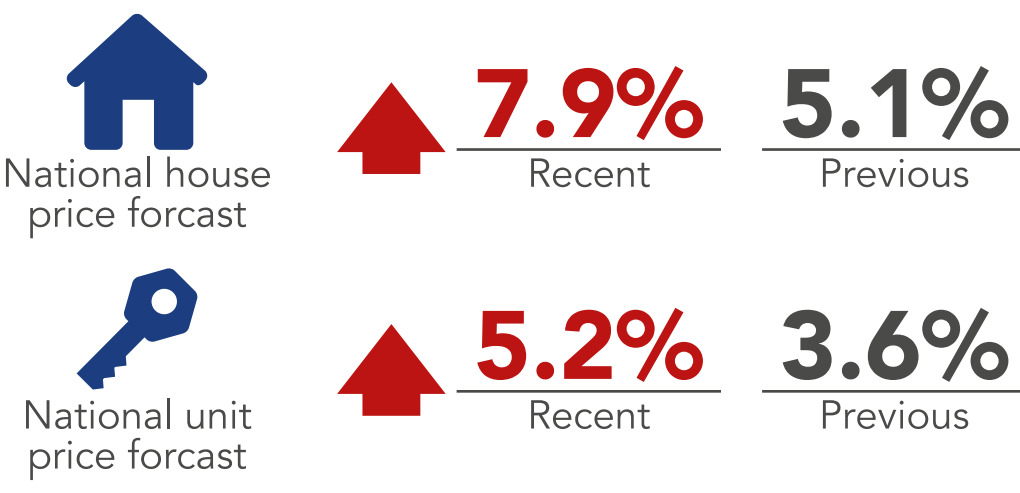
PROPERTY TALKS



AUSTRALIAN RESIDENTIAL PROPERTY MARKET OVERVIEW Q3 2016

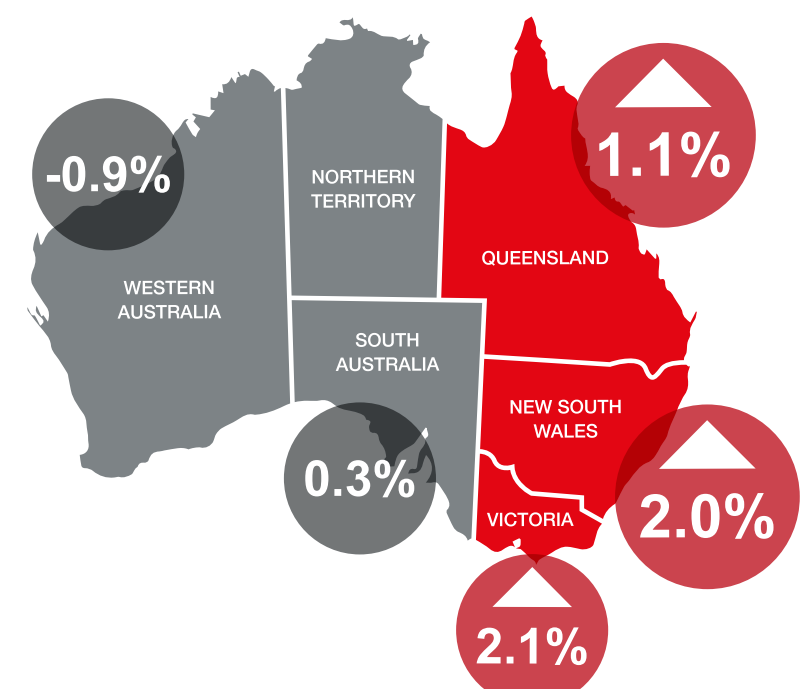
- House prices in the Australian property market has increased in Q3, which improves the overall market sentiment. Sentiment was highest in NSW and VIC.
- Property experts have adjusted expectations for the next 1-2 years' average house prices in VIC, NSW and SA/NT.
- Foreign buyers showed less activity in Australian markets in Q3 - estimated 10.2% of overall new property sales and 6.4% of established.

NAB Group forecasts in 2016



House Price Expectations

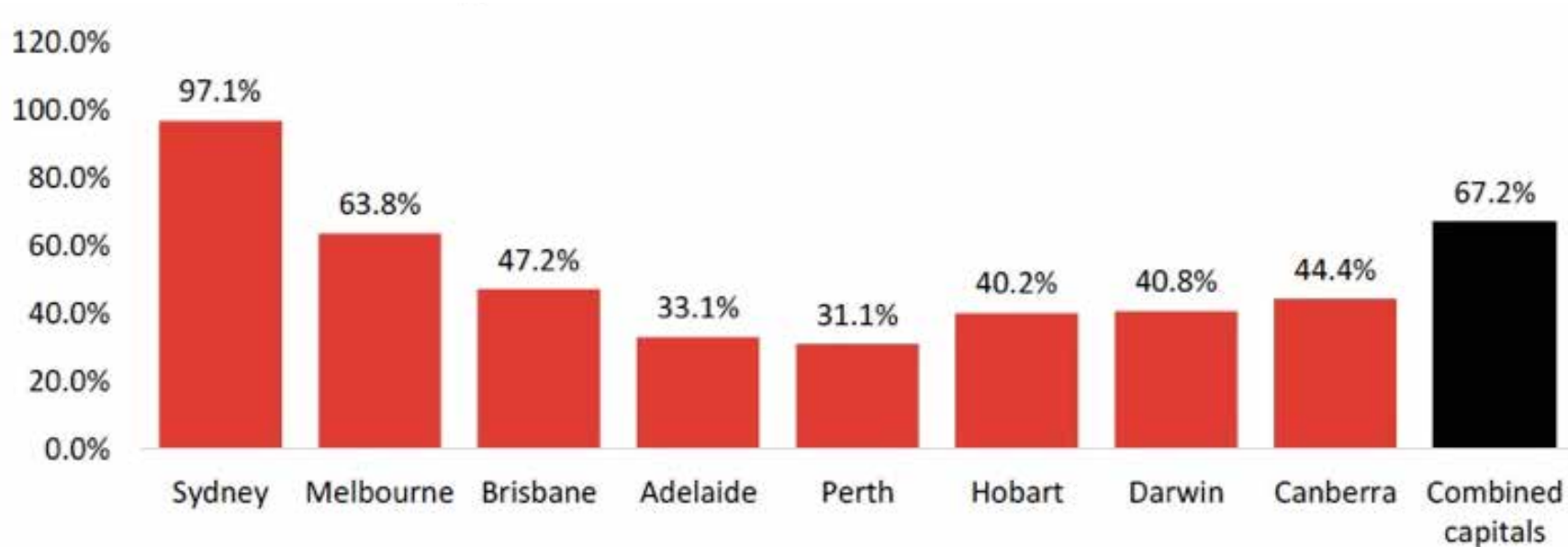
Expectations for average property prices over the next few months have increased 1.3% in Q3.



THIS CHART EXPLAINS WHY PROPERTY INVESTMENT IS SO POPULAR IN SYDNEY AND MELBOURNE

If you ever wondered why property investment is so popular in Australia, aside from the tax benefits, it is surely found in the chart below from CoreLogic. It shows total returns for investors, including both the median increase in property values as well as rental returns over the past five years.

Total returns from residential property, five year to October 2016



Source: CoreLogic

There's been some enormous returns, particularly in Sydney and Melbourne, Australia's largest and most expensive property markets. Unsurprisingly, these cities are also those that have been traditionally favored by investors. A nominal return of 97.1% in Sydney, and 63.8% in Melbourne — and that's before any tax benefits. And it appears that trend is continuing.

UK ECONOMY GROWS BETTER THAN EXPECTED, THE PROPERTY INDUSTRY HAS EVEN EMERGED STRONG GROWTH

Figures released recently show that the UK economy has grown 0.5% since the Referendum. The own economic story and there is every indication that the market will continue to grow and grow. The Property industry has emerged unscathed and even seen strong growth despite the warnings. The report shows figures more robust than many economists had expected, and stronger than the 0.2% forecast last month by the Bank of England.

As construction drops off, house building and residential off-plan developments have remained strong with good capital growth and strong yields for those with an existing portfolio. Indeed, it is likely that more people will look to safeguard their wealth in property through these uncertain economic times, thereby pushing house prices up further.

The falling pound has proven particularly attractive to foreign investors who are making the most of the current economic situation and pouring money into the UK property market. Demand for high quality rental accommodation remains very high, particularly in the Northern Powerhouse cities, providing investors with reliably high rental yields on top of the opportunity to earn significant capital gains.



Property highlight in Manchester : West Point

WestPoint is planned and developed by Beech Properties, an award-winning and leading property developer in the U.K.. The 4-storey project offers 346 studio and 1-bedroom apartments with gross floor area ranging from 14 to 45 square meters. The first 150 sold units can as well enjoy a free parking space. WestPoint is a redeveloped residential building. All apartments are designed with contemporary finishing and floor heating that optimize the storage space. The modern low-carbon technology enhances its energy efficiency that greatly benefits the tenants and investors. In addition, the project also provides a variety of leisure facilities, including a gym, a roof garden, a landscaped Japanese garden area, a communal lounge and a coffee bar, that allow its residents to enjoy an easeful living environment after their hustle and bustle city lives. WestPoint is expected to be completed and ready for move-in in the first quarter of 2018.



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