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VALAD ACQUIRES BRISBANE CBD PORTFOLIO

- Four office/retail properties consisting of 14,080m²
- Includes corner mall location with significant value add potential
- Strong rental reversion

SYDNEY: Valad Property Group (ASX: VPG) today announced the off-market acquisition of a four-property portfolio in the Brisbane CBD for \$127.6m. Three of the office/retail properties are located within the prime Brisbane CBD mall retail precinct. The assets will be warehoused on Valad Fund Management Limited's balance sheet for potential sell down to a Valad managed fund.

'We are pleased to add these quality properties to the portfolio, particularly as they have further upside from repositioning and Valad's leading property asset management approach,' said Mark Frinsdorf, Head of Capital Transactions - Real Estate Investment.

'The portfolio not only stands to benefit from the strong Brisbane market but also shows potential for Valad to apply its expertise through its "Tenant is King" policy in retaining existing tenants as well as attracting new tenants through intensive asset management and refurbishment' he added.

The portfolio comprises:

60 Queen Street – multi level retail property fronting Queen Street Mall providing 3,109m² over lower ground, ground and mezzanine retail together with first floor office accommodation;

217 George Street – occupying a prominent position on the corner of George and Queen Streets. It comprises 4,072m² over 12 levels with lower ground and prime ground level retail and 10 floors of offices with views to the Brisbane River;

231 George Street – 10 level building over 3,037m² with ground and lower ground retail and 8 levels of office accommodation with views to the river from level 4 upwards; and

370 Queen Street – office and retail property located within the golden triangle extending over 3,862m². The accommodation includes ground floor retail, 6 levels of offices and 28 secure car spaces.

The portfolio is leased to 47 tenants with a current occupancy of 99% and a weighted average lease expiry (WALE) of over 3.4 years.

'Brisbane's North Quarter, located immediately north of 60 Queen, 217 & 231 George Streets, is an emerging CBD precinct delivering significant new commercial developments including the Brisbane City Council directly opposite. Existing landmarks including the Brisbane Casino, the transit centre and the Myer Centre are also in close proximity. The new developments bring significant benefits to our portfolio via raising the commercial profile of the area and increasing pedestrian traffic to the benefit of retailers. The portfolio is in a highly desirable location and has multiple exit strategies,' said Mr Frinsdorf.

The transaction was negotiated off-market through Andrew King of DTZ Brisbane.

To date Valad has invested over \$1.8 billion in Queensland in office, bulky goods, self storage, and industrial investments; residential and retirement developments; and in development land, including end value of VCS projects.

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About Valad

Superior Returns - Global Focus

Valad Property Group is a leading diversified property funds management company, founded in 1995.

With A\$18.3 billion of assets under management, Valad has achieved significant growth since joining the stock exchange in 2002 and provides investors with superior returns across the full risk/return spectrum.

Valad's property trust invests in stable income-generating property assets while its funds management operation includes specialist and value-adding investment opportunities.

Pursuing a global vision for its funds management business, Valad is building on its reputation for creating innovative investment products across key property sectors.

Valad aspires to continue outperforming its sector peers, expanding its regional and international operations when and if further opportunities arise.

Valad will continue to develop sophisticated fund opportunities for domestic and international investors, providing the "value-add" that underpins the company's name and philosophy.

www.valad.com.au