

A dark grey banner with the text 'media:release' in a light blue, lowercase, sans-serif font. The background of the banner features a blurred image of a globe with various text elements like 'Australian stock market' and 'United Kingdom' overlaid on it.

media:release

11 October 2007

## Global Direct Property Fund on the international acquisition trail

AMP Capital Investors today announced its Global Direct Property Fund has completed key transactions worth A\$170 million.

The Fund has purchased properties in the United States and Italy and sold an investment in the United Kingdom.

Fund Manager Chris Judd said the Global Direct Property Fund is implementing a mandate to construct a diversified portfolio in the established markets of North America, Western Europe and parts of Asia.

“The Australian property investment market represents only 2 per cent of the global investment universe. The Global Direct Property Fund provides a platform for Australian institutional investors to gain exposure to the vast majority of the other 98 per cent of the market,” Mr Judd said.

The broader investment opportunities available to the Fund is reflected in the acquisition of a 387 unit residential apartment complex in Houston, Texas for A\$62 million.

The Cheval Apartments is a recently completed property in the fifth largest city in the United States. The city of Houston is enjoying above average population and economic growth driven by the global energy boom. The Cheval Apartments asset is built over a 10-acre site and features high quality construction and community facilities including swimming pools, tennis court, gymnasium and meeting areas.

Mr Judd said the acquisition has significant upside potential with the Cheval Apartment complex’s current rental rates approximately 15 per cent below current market levels and with the opportunity to increase rents up to market levels over the next 12 months.

“This acquisition represents a rare opportunity for Australian investors to gain investment exposure to the US “multi-family” sector. The sector comprises over 20 per cent of the US institutional investment market and has a long track record of outperformance through multiple economic cycles benchmarked against the office, retail and industrial sectors,” Mr Judd said.

The Global Direct Property Fund has been on the global acquisition trail with the purchase of the University Corporate Centre One asset in Orlando, Florida for A\$26 million.

The office building features 11,431sq m of net lettable area (NLA) over three floors and 649 car spaces. The property is positioned in a high-tech university precinct in close proximity to the

University of Central Florida, America's seventh largest university. The asset is fully leased with the majority of the tenants technology companies.

The Fund also has a presence in Europe following the purchase of an office property in Milan, Italy for A\$34 million. The asset is located 10 minutes from the city's CBD in the Sesto San Giovanni office sub-market and features 6,555 sq m of NLA and 57 car spaces. The property is fully leased and is estimated to be under-rented by at least 14 per cent based on current market rents for the sub-market.

Mr Judd said the Global Direct Property Fund had sold-down a United Kingdom retail investment earlier in the year as part of the strategic positioning of the Fund.

"In terms of the transaction pipeline we are looking to further build on the success of the Fund and will continue to monitor potential opportunities in our target markets. We expect to complete further acquisitions through 2007 and into the new year," Mr Judd said.

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