

NATIONAL MARKET UPDATE

GENERAL DISCLAIMER

The information presented has been prepared as general information only, without considering your objectives, financial situation or needs. So you should, before acting on this information, consider if it is appropriate to your circumstances.

For individual advice, you should speak to a Performance Property Qualified Property Investment Advisor (QPIA).

PRESENTER

PHILLIP ALMEIDA

Phillip's career has been built on meeting the needs of a special group of people. Invariably they are medical professionals and business owners looking to access good quality advice on property investment as part of a long-term wealth creation strategy.

He specialises in buying medical and business owners principal place of businesses and client's private investment portfolios including their homes. He has been involved in more than \$3b worth of transactions.

Phillip can provide investors with advice and support in areas with growth potential in the residential and commercial property markets nationally.

He holds a Masters of Business (Property), a Graduate Diploma in Valuations, a Qualified Property Investment Advisor (QPIA), and is fully licensed under the Real Estate Institute of VIC, SA and NSW.



Phillip Almeida
Founder and Director, Performance Property Group

WHAT ARE MODEL PORTFOLIOS?

- Our investment committee has designed and approved our model portfolios that can be customised to meet the needs of our clients.
- The goal with these portfolios is to create over \$2.5m of equity (not just value) which can be converted into an income stream for retirement.
- Our property advisors have been trained on how to build these portfolios and can work with you to discuss your individual situation and suitability.

MODEL PORTFOLIOS

Equity Goal	Debt Reducer	\$2.5m	\$5m	\$10m	>\$20m
HH Income	\$250k	\$250k	\$400k	\$600k	>\$1m
Net Assets	\$500k	\$1.5m	\$2.5m	\$4m	>\$6.5m
Horizon	>5 years	>20 years	>20 years	>20 years	>20 years
Contribution	TBC	\$25k p/a	\$40k p/a	\$60k p/a	>\$100k p/a
Target net yield		2%	2.5%	4%	5%

PERFORMANCE PORTFOLIO CASE STUDIES

From \$0 to \$7.5 million in 12 years

Portfolio Quality

PORTFOLIO QUALITY RATING: ★★★★★

SUBURB	STATE	ASSET TYPE	PURCHASED	PROPERTY RATING	SUBURB RATING
Sydney House	NSW	Residential House	2010	A	AAA
Sydney Unit	NSW	Residential Unit	2011	B	AAA
Geelong House	VIC	Residential House	2012	A	AAA
Brisbane House	QLD	Residential House	2014	A	AAA
Brisbane Unit	QLD	Residential Unit	2014	B	AAA
Adelaide House	SA	Residential House	2016	A	AAA
Ballarat House	VIC	Residential House	2017	A	AAA
Bendigo House	VIC	Residential House	2018	A	AAA
Perth House	WA	Residential House	2019	A	AAA
Rockingham House	WA	Residential House	2021	A	AAA
Toowoomba House	QLD	Residential House	2021	A	AAA

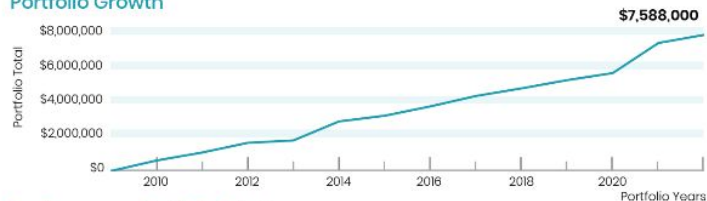
Key Portfolio Stats

Annual Gross Rental Income	\$235,404
Gross Yield	4.79%
Compound Annual Growth	8.16%
Average Annual Return	12.95%
Portfolio Size	11
Total Purchase Price	\$4,918,500
Acquisition Costs	\$344,155
Total Purchase and Acquisition Costs	\$5,260,655
Capital Contribution %	17%
Capital Contribution \$	\$894,311
Current Portfolio Value	\$7,588,000
Debt	\$4,366,344
Total Growth	\$2,671,500
Equity Generated	\$2,327,345
Total Return on Capital	260.24%

Portfolio Diversification



Portfolio Growth



Performance Portfolio Strategy



PERFORMANCE SINCE INCEPTION

This portfolio tracks the performance of a hypothetical portfolio of assets purchased at the median price on the date that we approved the region for investment.

The portfolio currently consists of 11 residential assets and is diversified across five states.

Over the 12 years, we have achieved a 260% return on capital at a compound annual growth rate of 8.16%. With rental yields added at the median price, the total annual return is 12.95%.

CLIENT PORTFOLIO CASE STUDIES

Equity Goal	Current Equity	Current Value	Client Income	Return on Capital	Link
\$2.5m	\$1.8m	\$4m	\$280k	404%	Link
\$5m	\$2.2m	\$4.9m	\$350k	427%	Link
\$5m	\$2.1m	\$4.8m	\$350k	409%	Link
\$10m	\$1.9m	\$6m	\$500k	251%	Link
\$20m	\$1.9m	\$7m	\$2m	186%	Link
\$30m	\$4m	\$14m	\$3.5m	195%	Link

PERFORMANCE CAPABILITIES

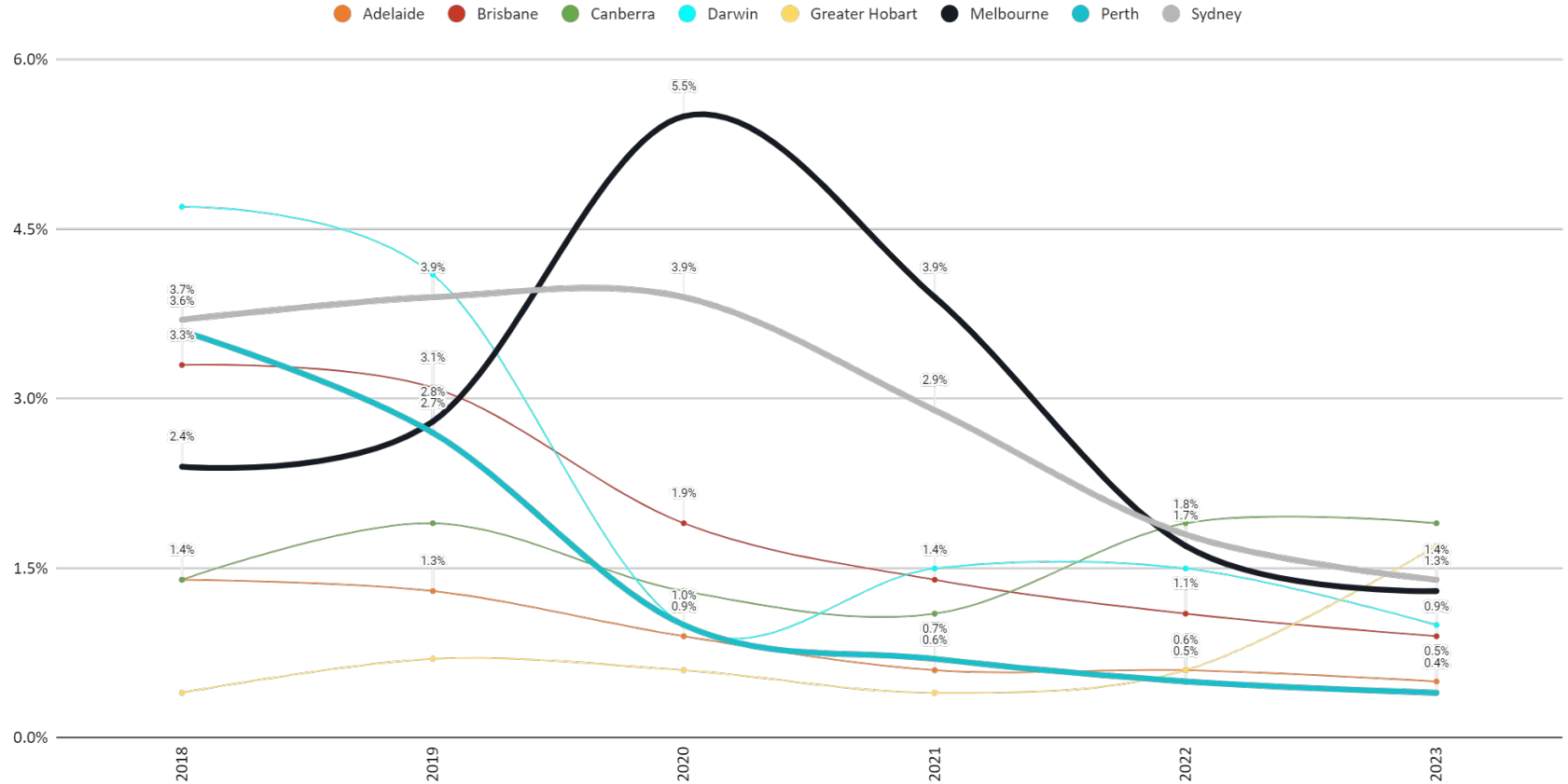
Research	Advisory	Acquisitions and Sales	Asset Management	Property Funds	Insurance
Macro	Strategic Property Direction	Investment Acquisitions	Asset Management	Income Funds	General Insurance
Micro	Consulting & Investment Feasibility	Property Sales and Divestment	Leasing	Opportunities Funds	Risk Insurance
Bespoke	Landlord and Tenant Advocacy	Business Premises Acquisitions	Procurement		
		Lease Acquisitions	Other Property and Facilities Services		

HOUSE PRICE MOVEMENT - MAY 2022 TO CURRENT

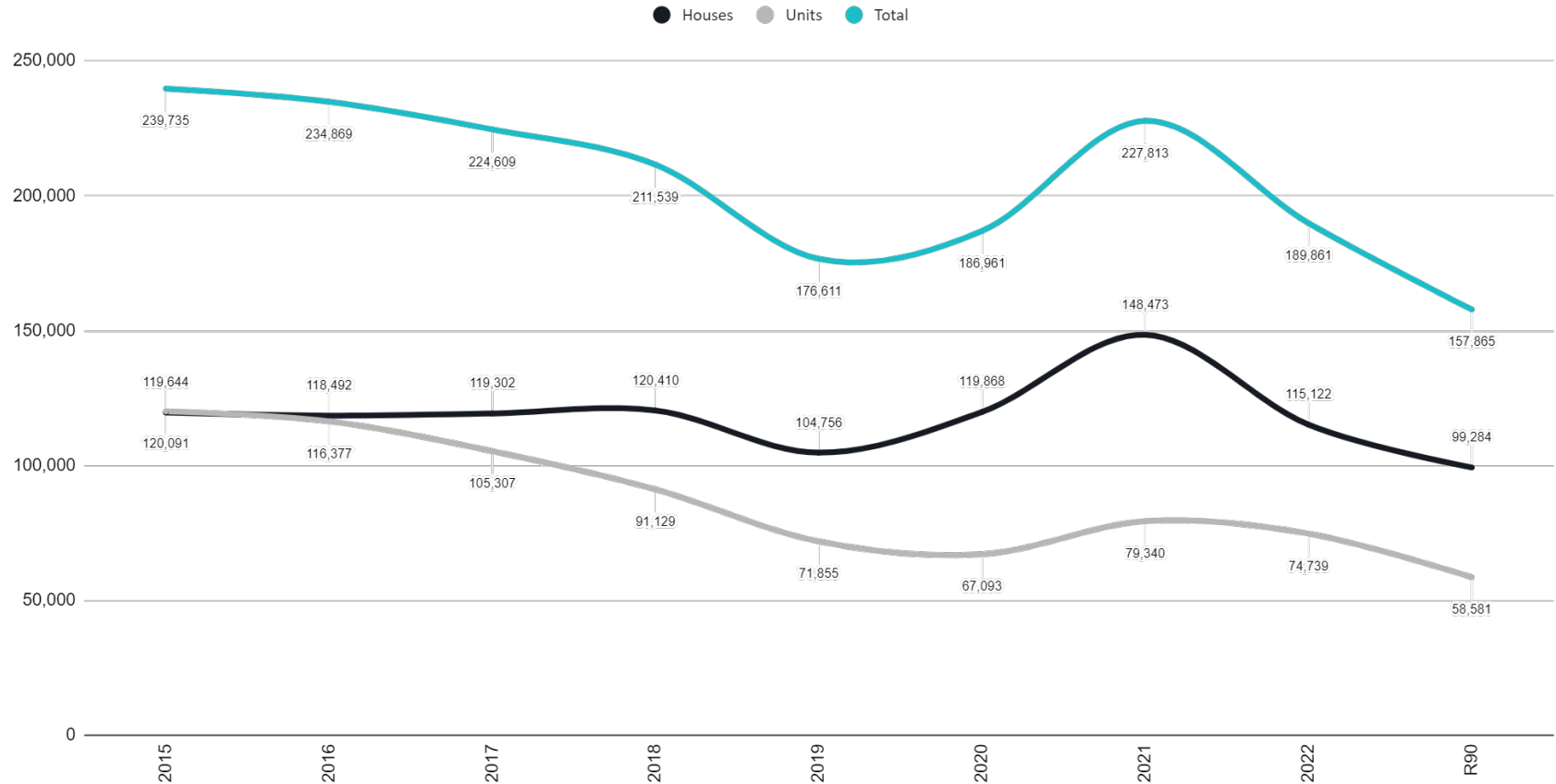
Capital City	R90 - Current (June, 2023)	R90 - May, 2020	Difference	% Movement
Adelaide	\$701,575	\$475,000	\$226,575	48%
Brisbane	\$776,696	\$550,000	\$226,696	41%
Canberra	\$950,000	\$705,000	\$245,000	35%
Darwin	\$585,000	\$480,000	\$105,000	22%
Greater Hobart	\$704,000	\$500,000	\$204,000	41%
Melbourne	\$880,000	\$748,000	\$132,000	18%
Perth	\$586,000	\$471,500	\$114,500	24%
Sydney	\$1,340,000	\$960,000	\$380,000	40%

NATIONAL

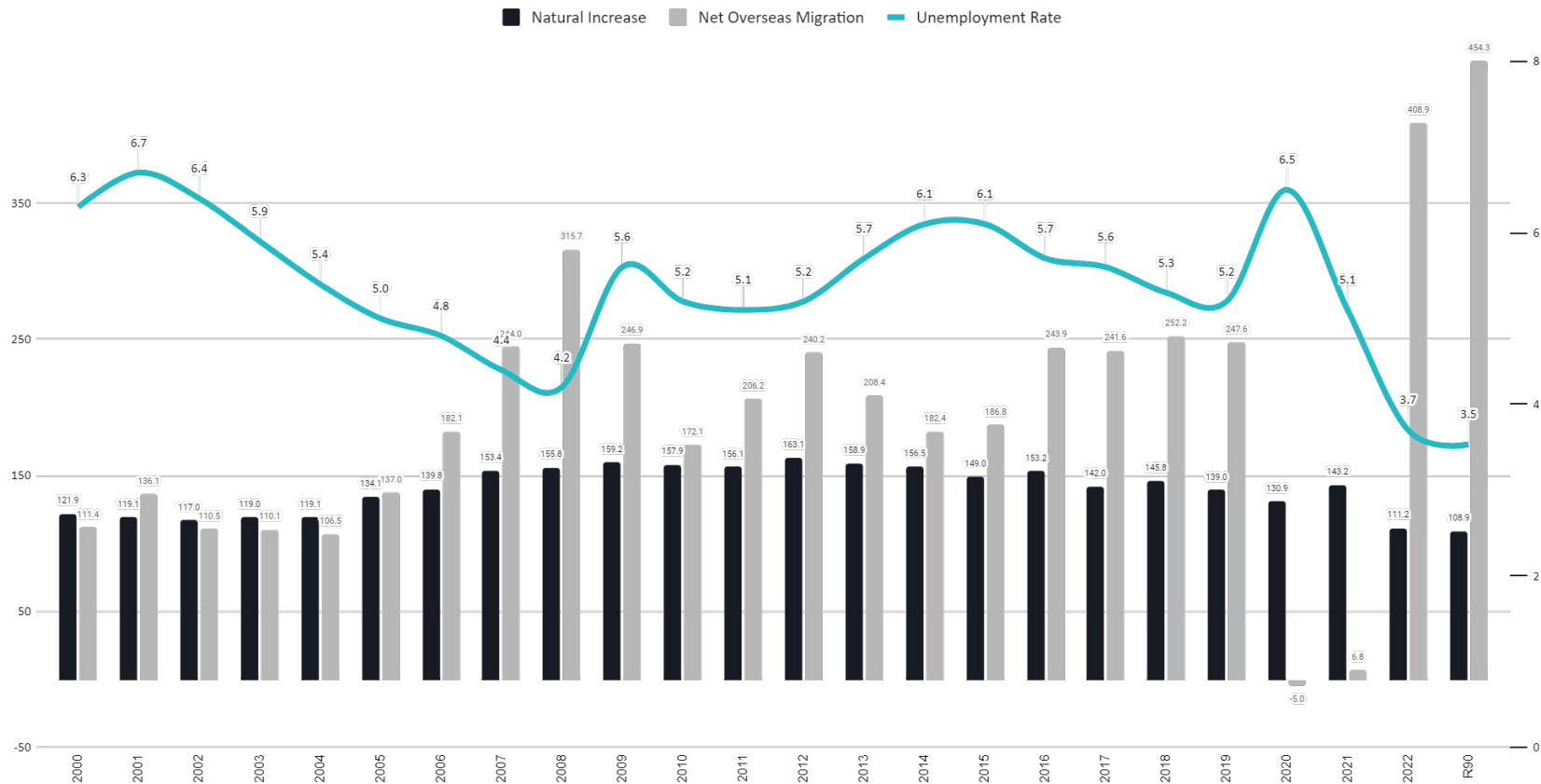
CAPITAL CITY VACANCY RATES



DWELLING APPROVALS



POPULATION MOVEMENT



MELBOURNE

CURRENT MELBOURNE ADVICE

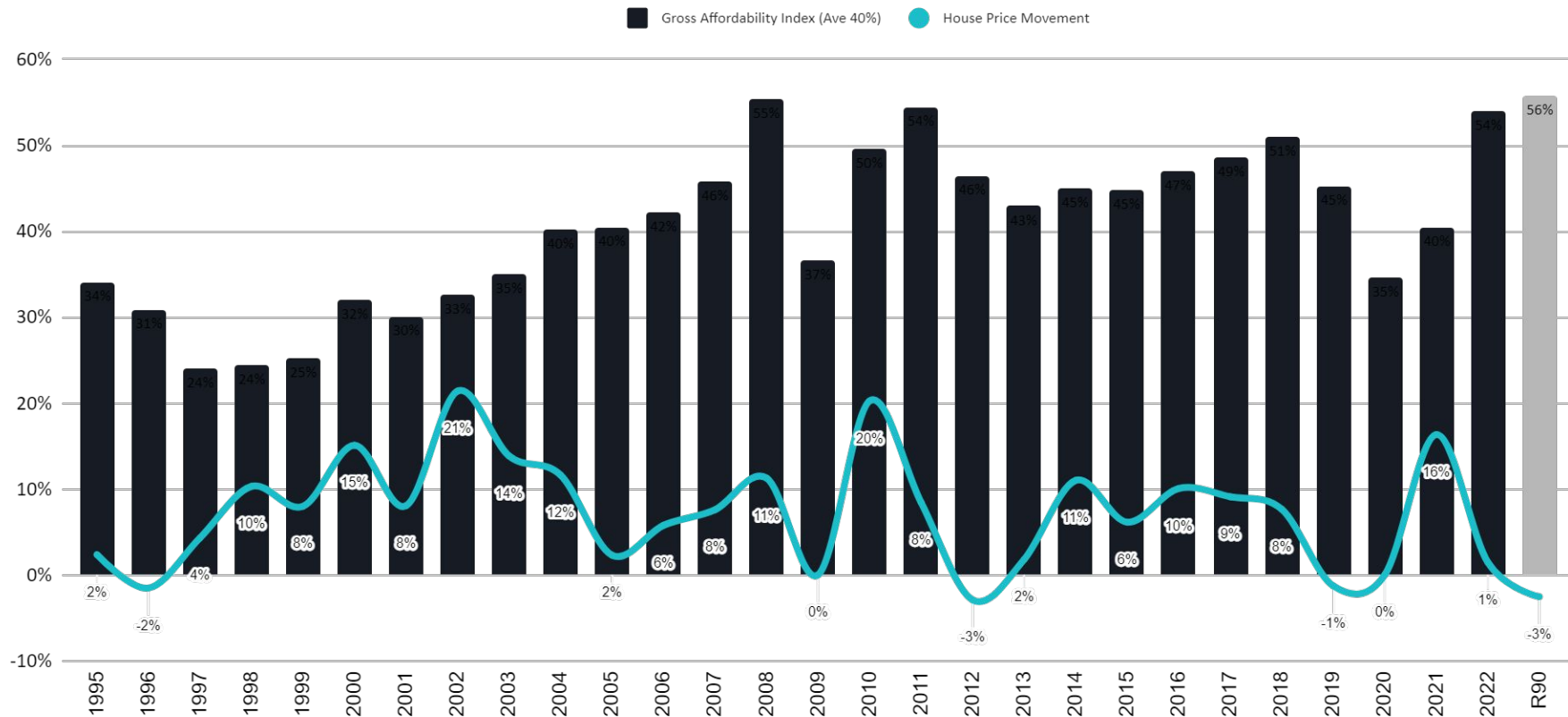
Stock currently for AAA rated homes tight in \$4m-\$7m range. There is still depth in the market for quality homes.

Residual apartment stock across Melbourne now being sold at faster rates given the lack of supply for medium and higher density stock. Evidence of foreign capital now filtering back for CBD units

Real change between prices being paid for renovated updated homes vs unrenovated homes now easing

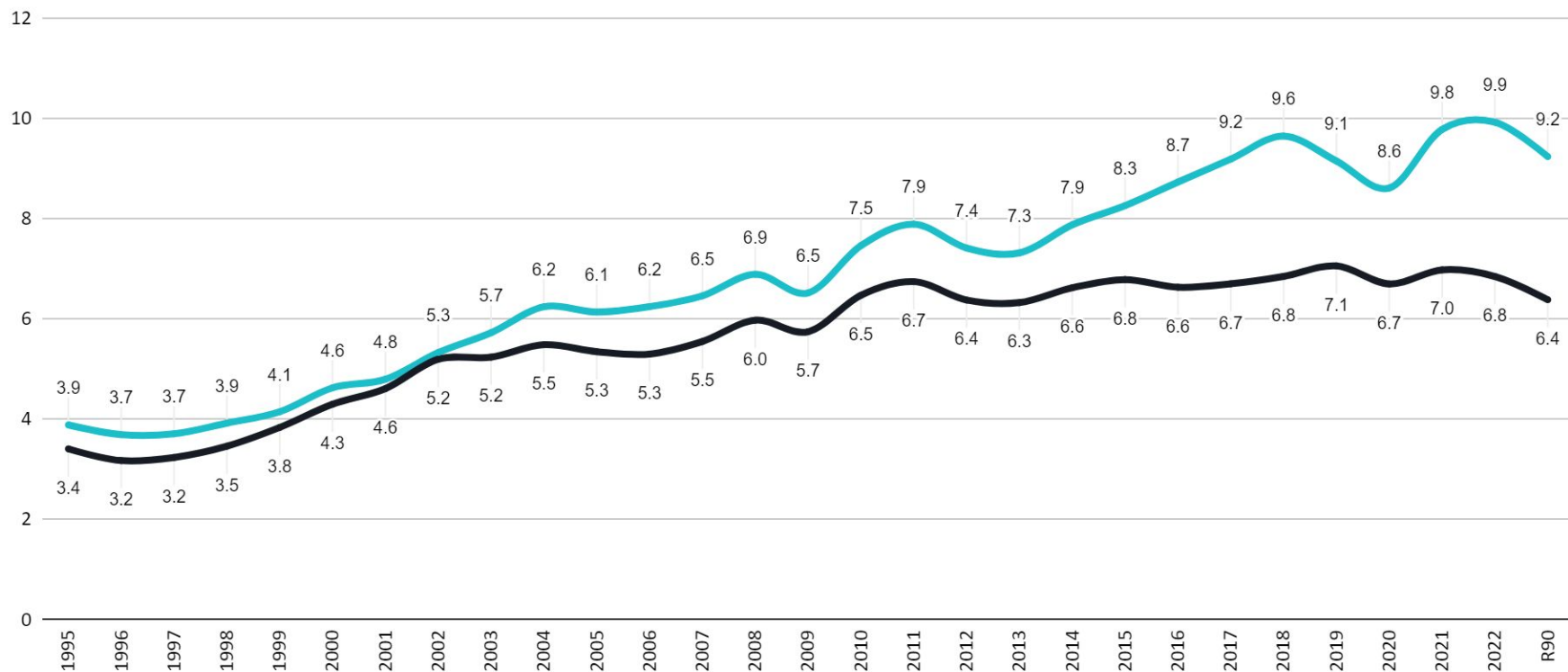
We expect rents to increase 20%-30% over the next 24 months given recent changes to land tax and lack of supply and investors exiting the Victorian residential market. See evidence of investors exiting

MELBOURNE - AFFORDABILITY INDEX

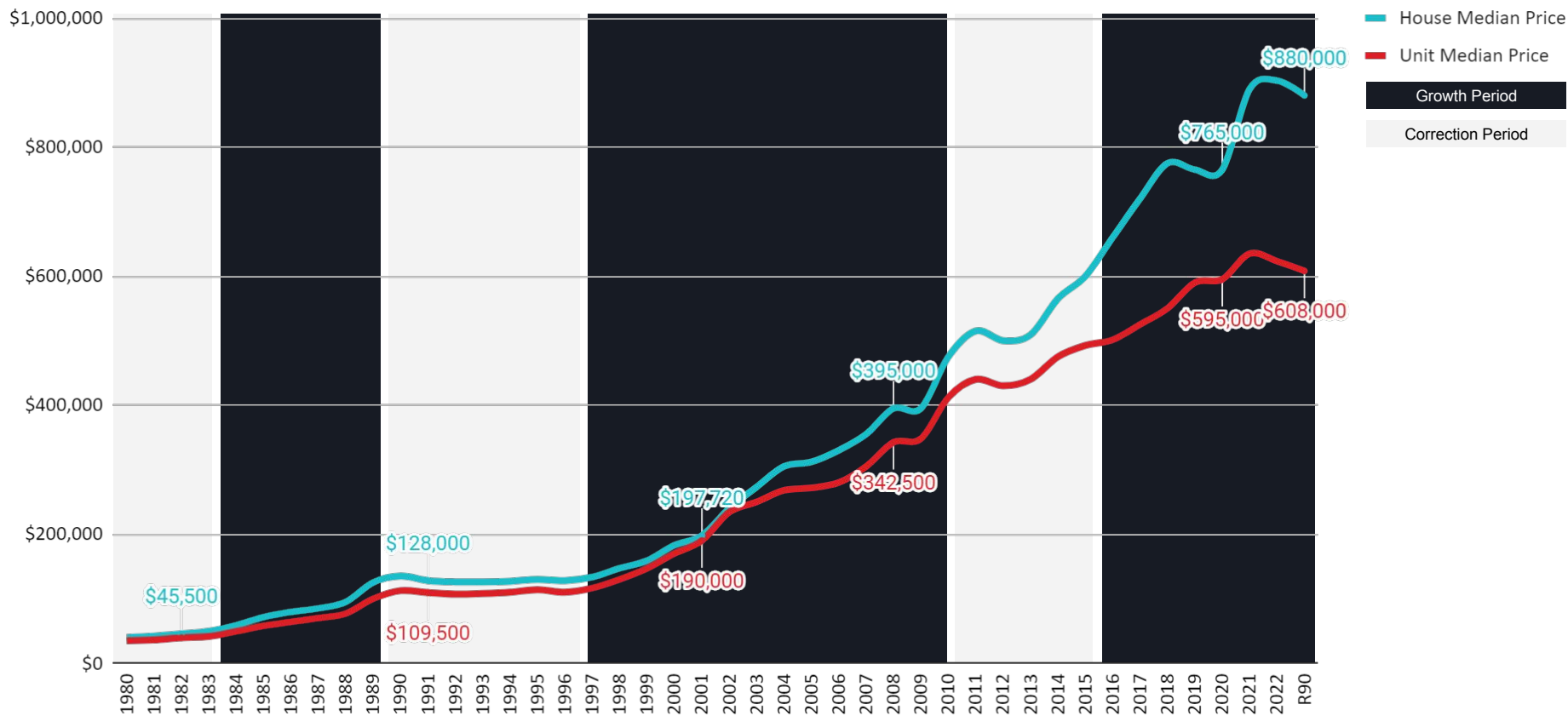


MELBOURNE - PRICE TO INCOME

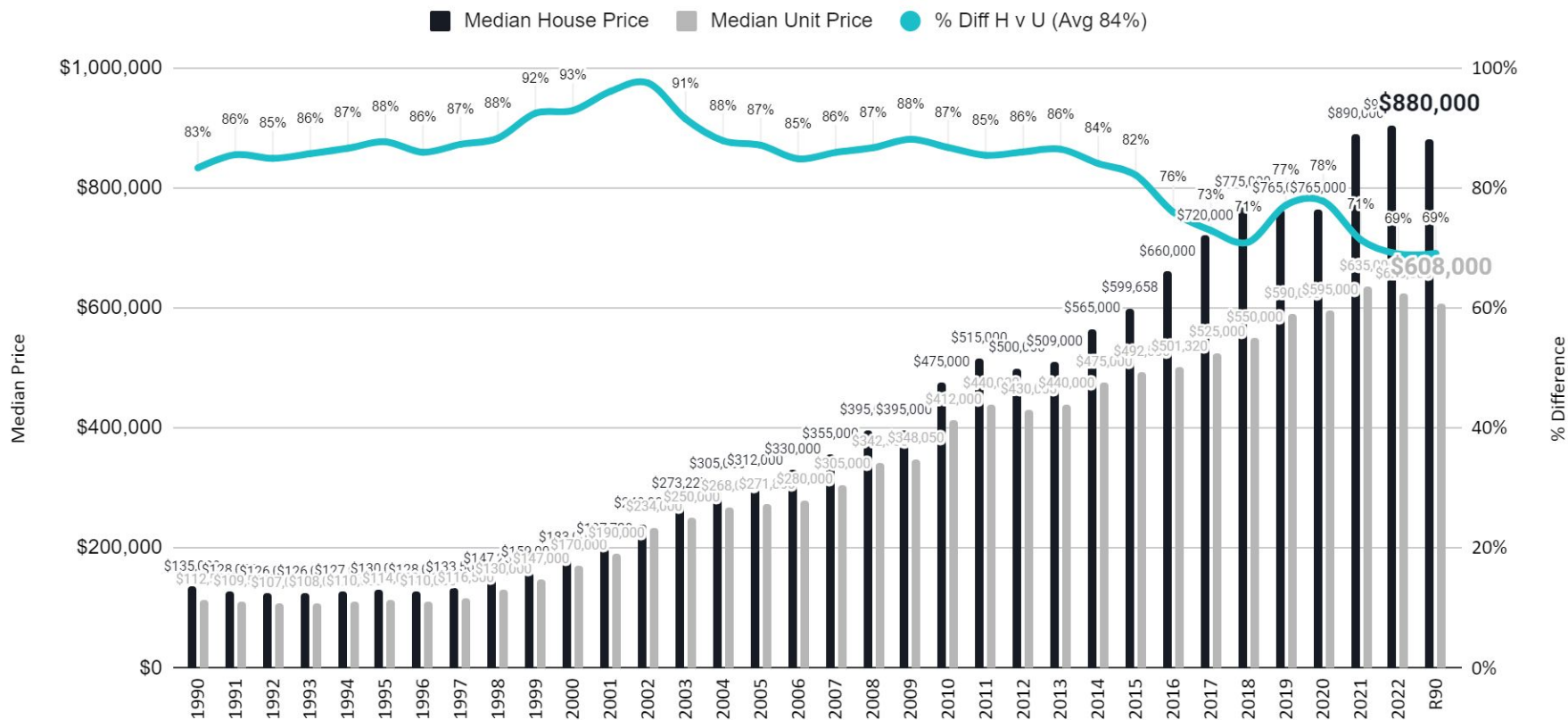
● House ● Unit



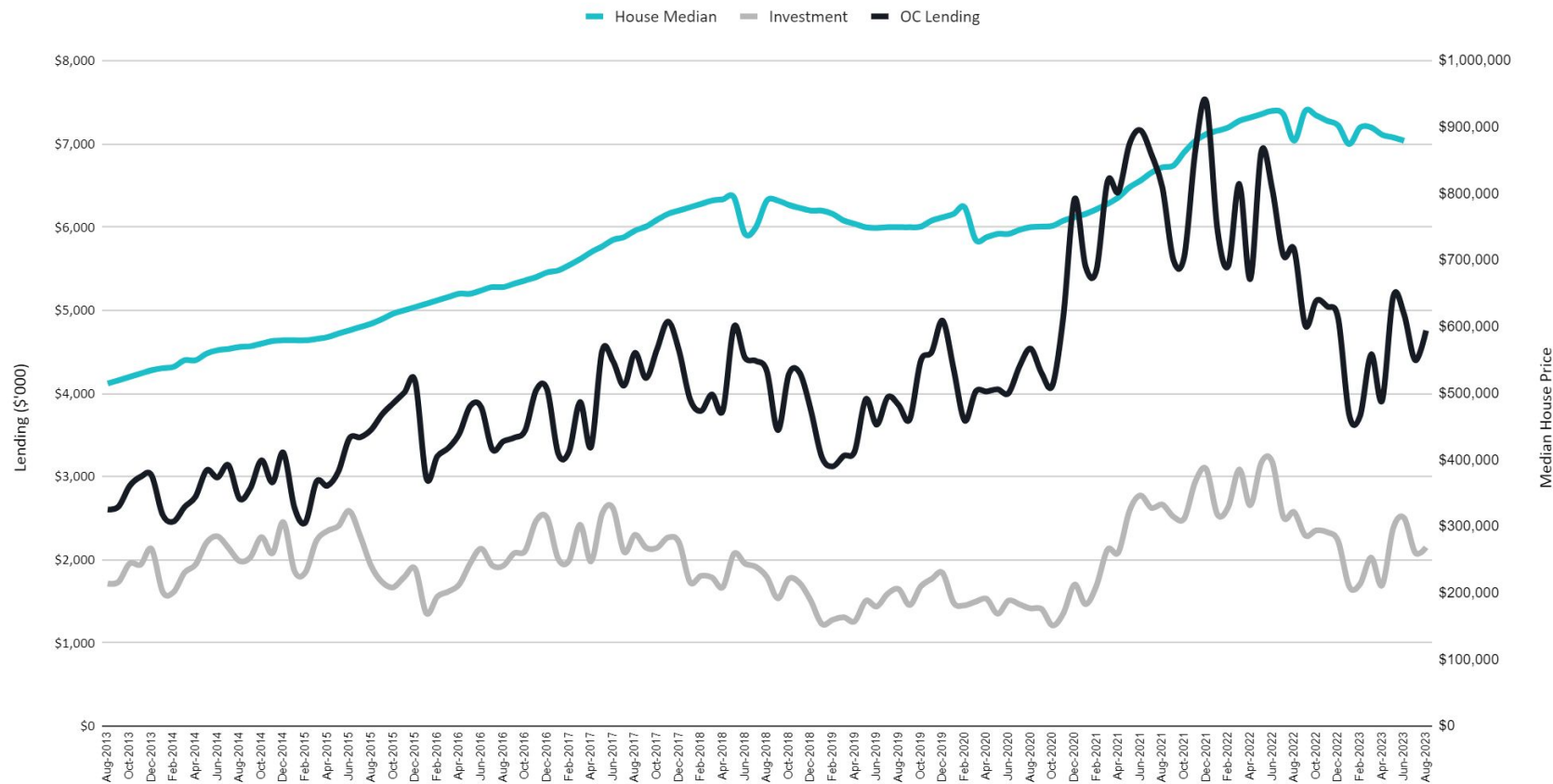
MELBOURNE - MEDIAN HOUSE PRICE



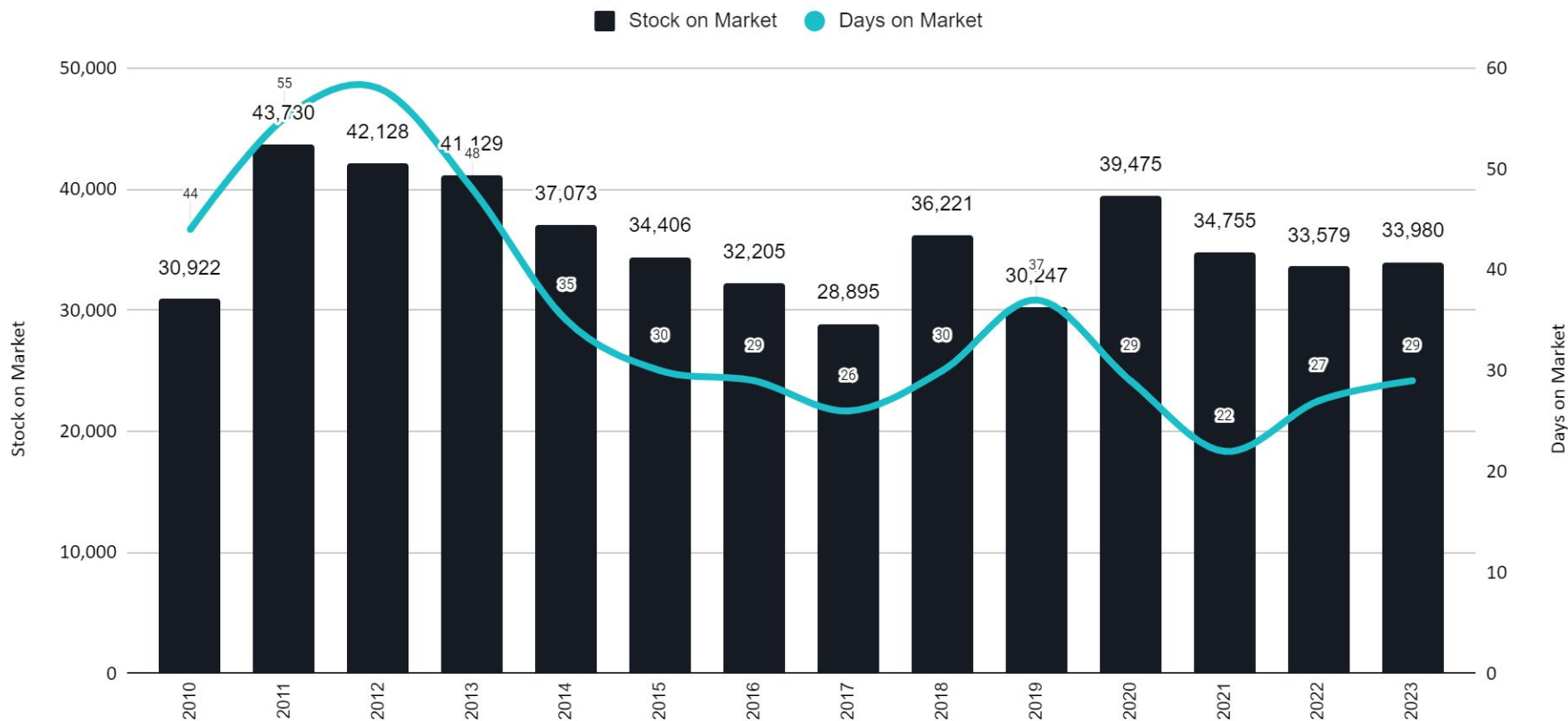
MELBOURNE - HOUSE v UNIT



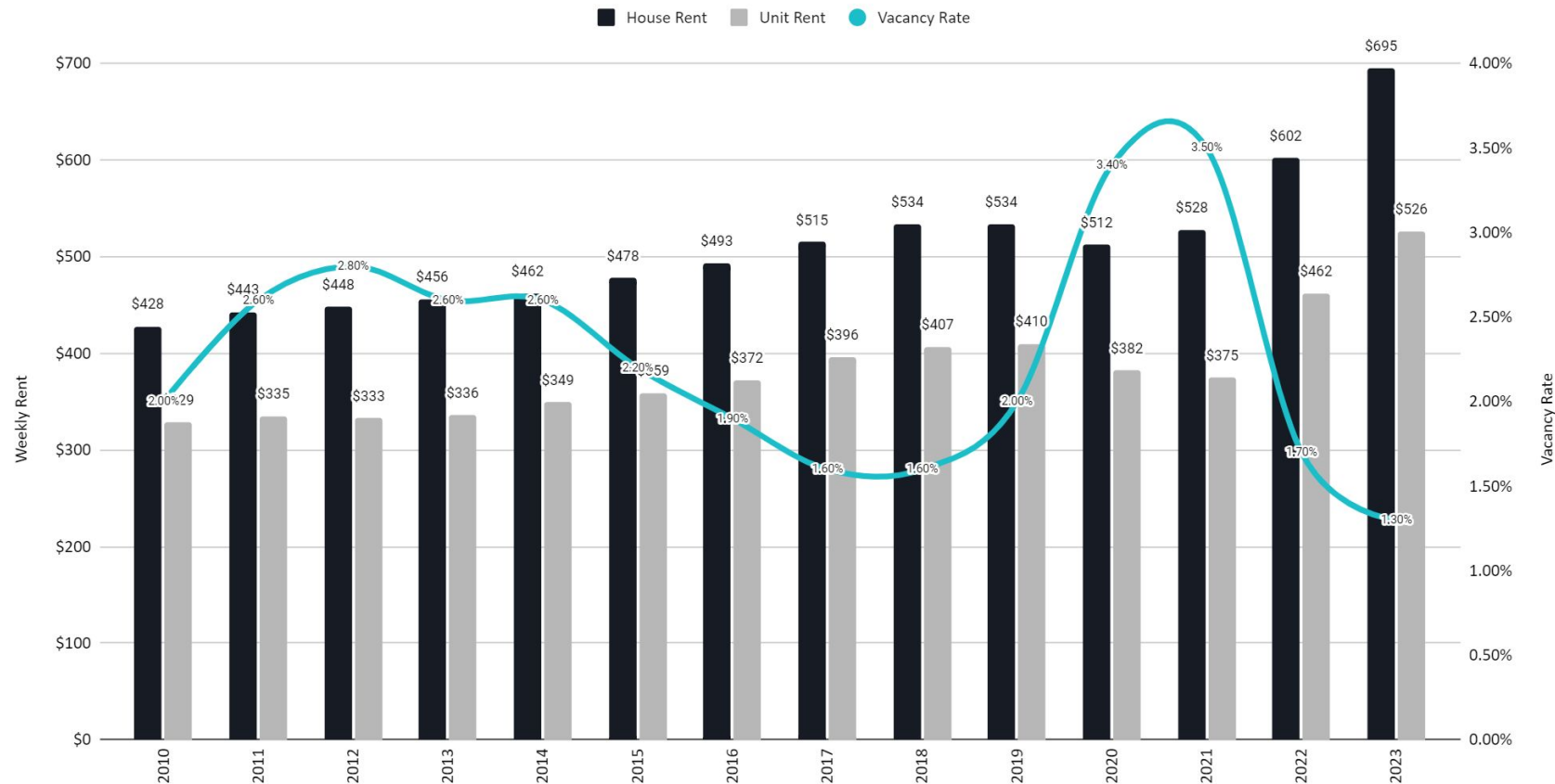
MELBOURNE - HH LENDING TO OC



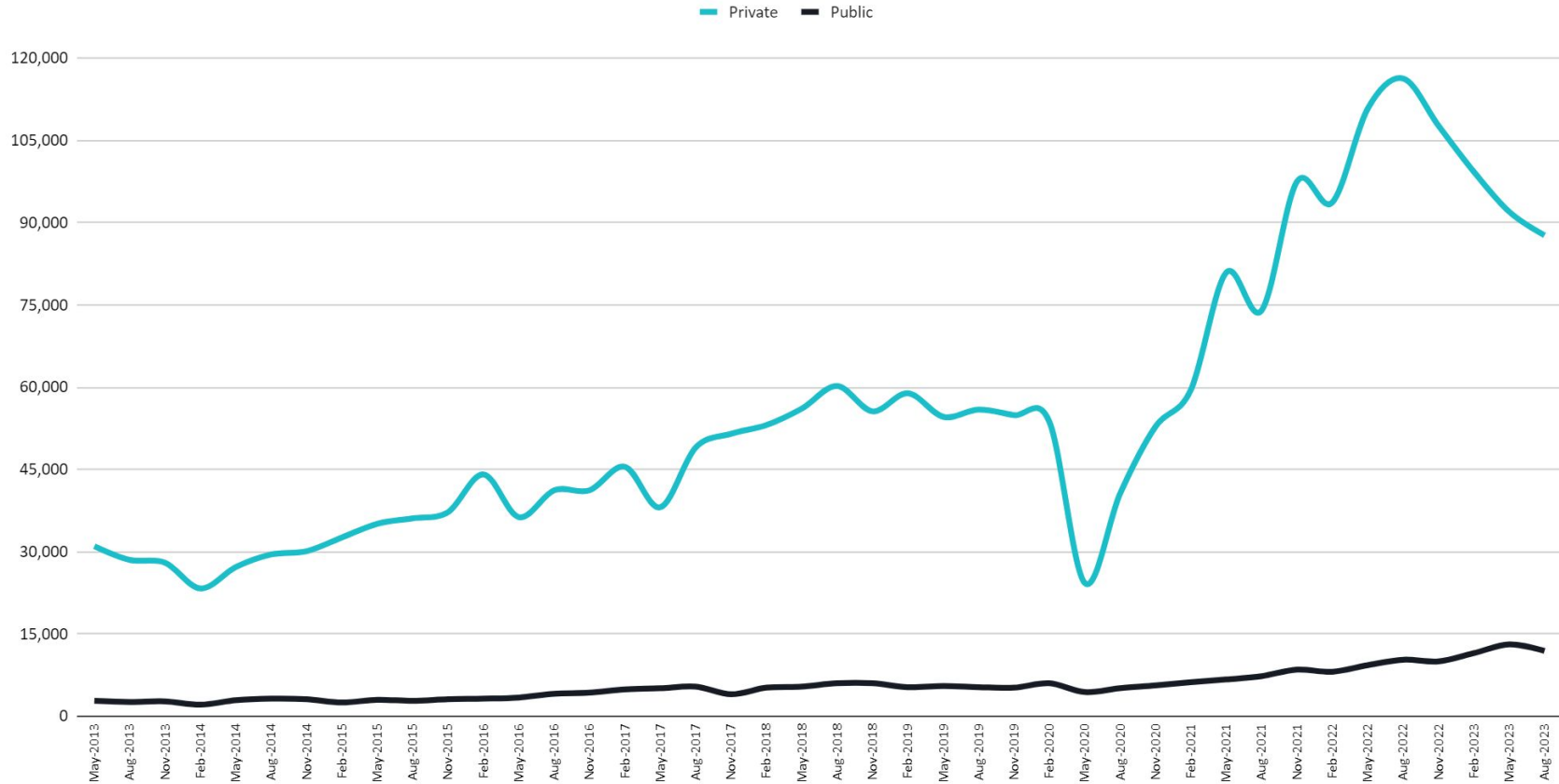
MELBOURNE - STOCK ON MARKET



MELBOURNE - VACANCY RATE

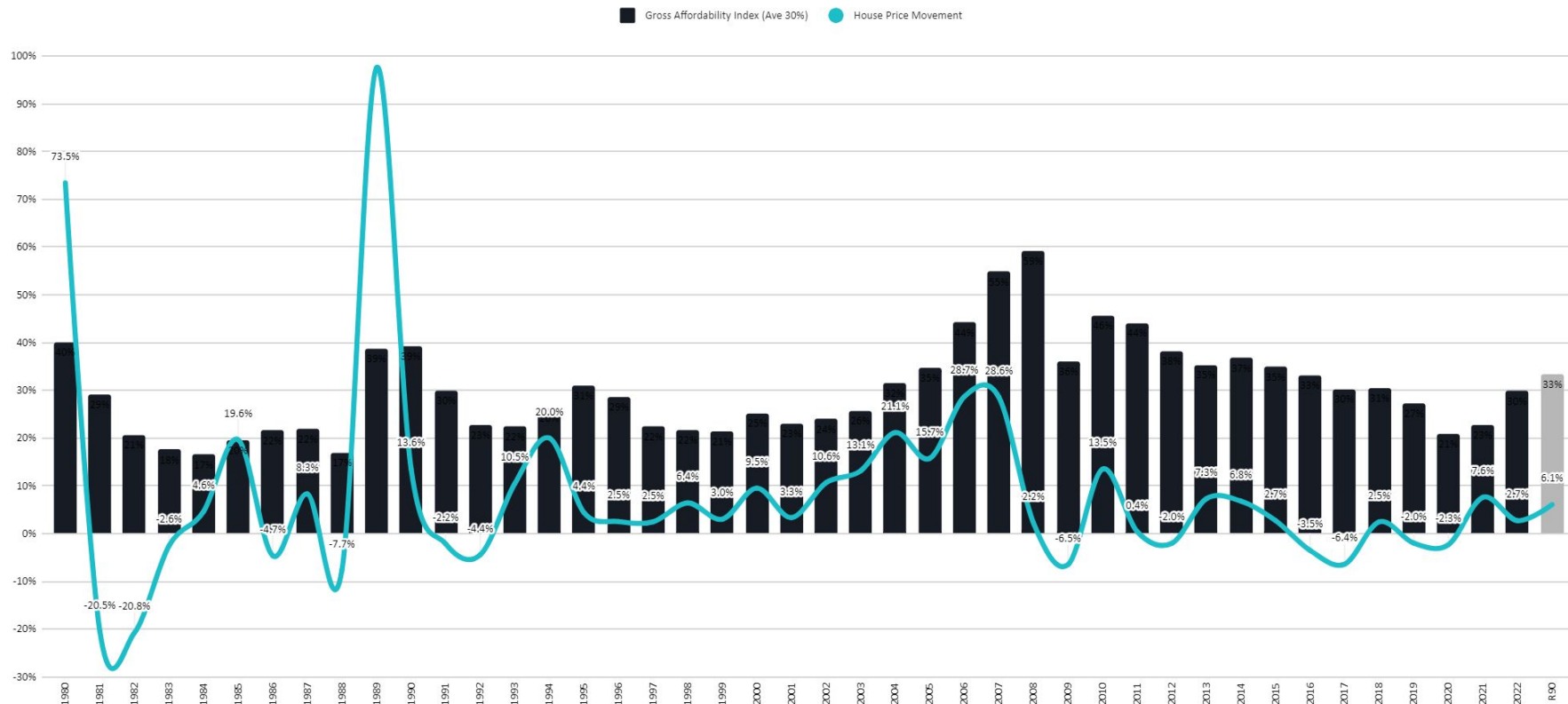


MELBOURNE - JOB VACANCIES

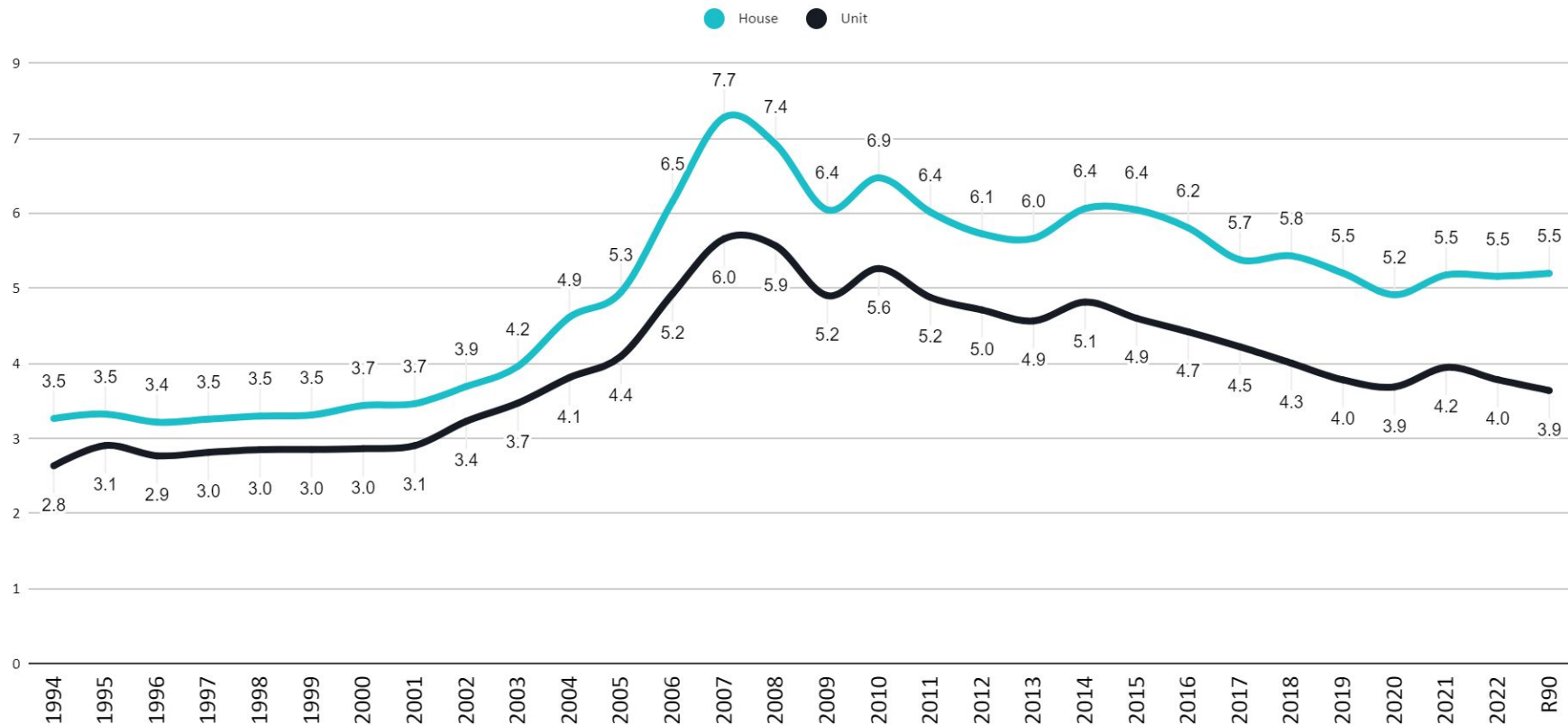


PERTH

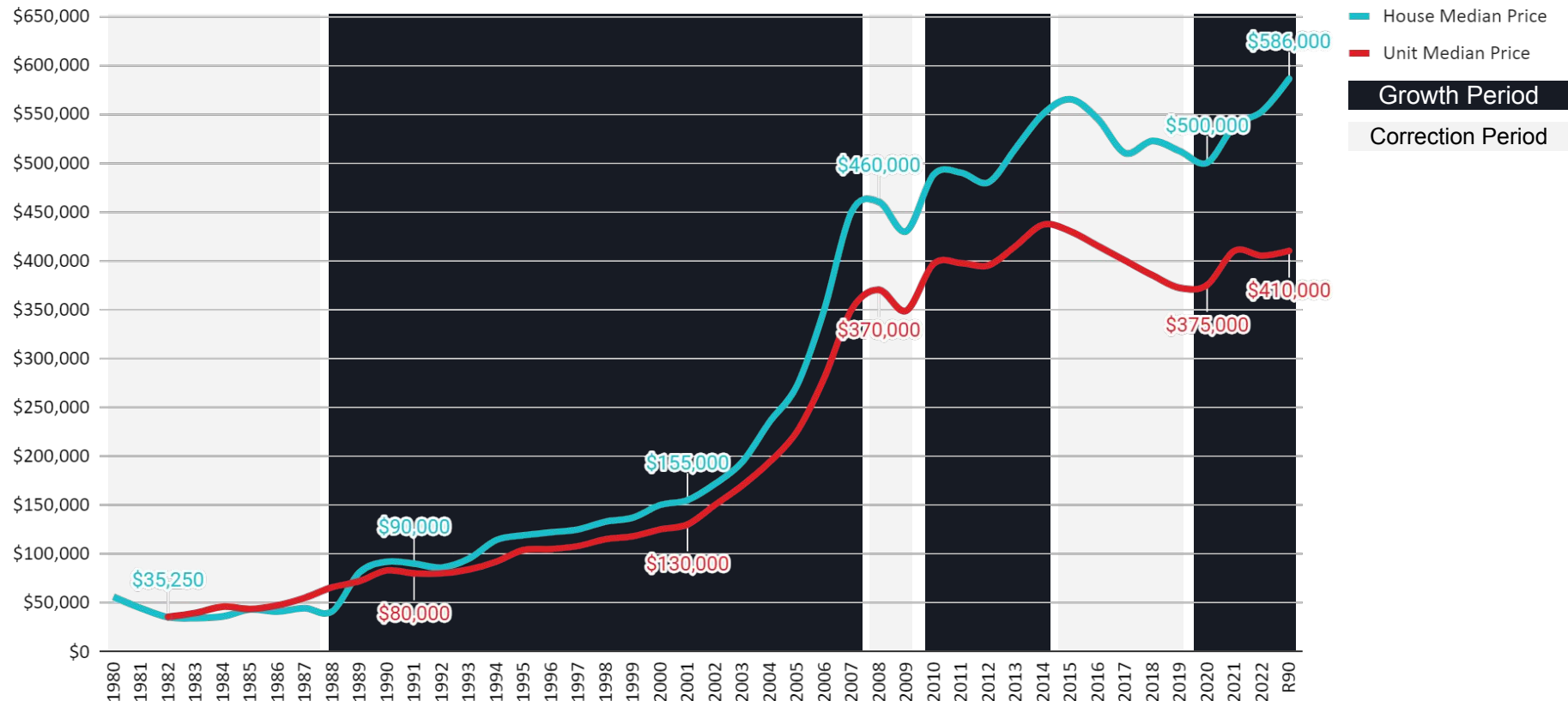
PERTH - AFFORDABILITY INDEX



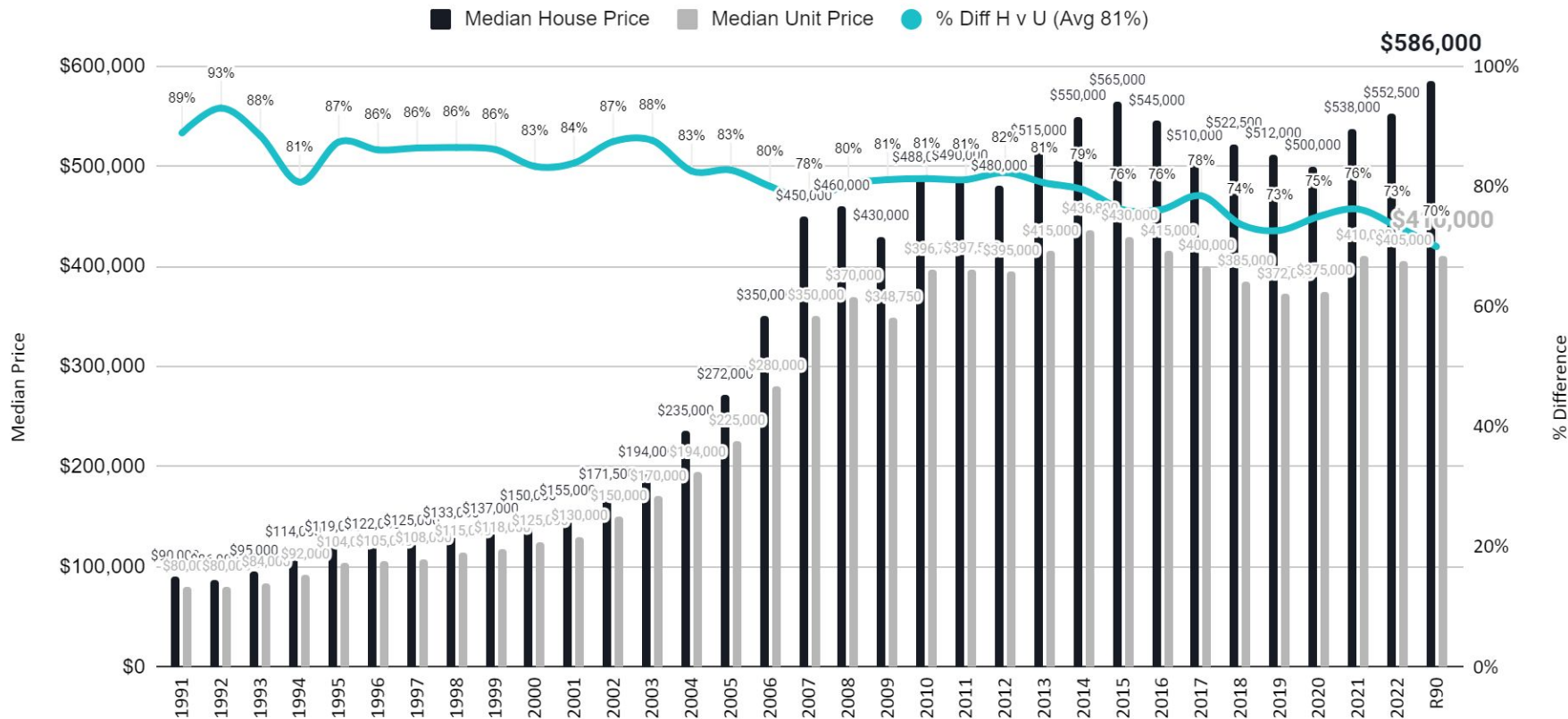
PERTH - PRICE TO INCOME



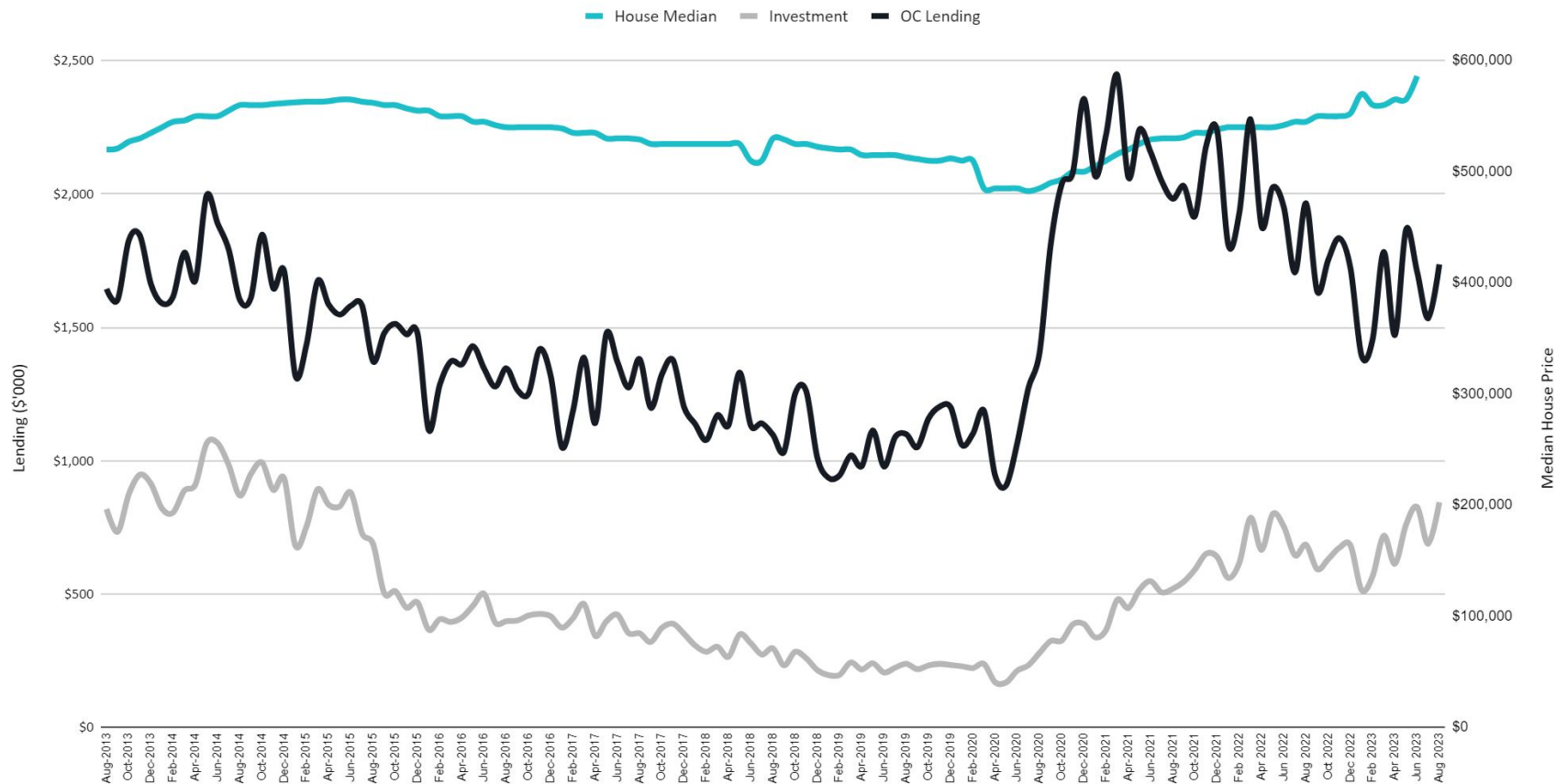
PERTH - MEDIAN HOUSE PRICE



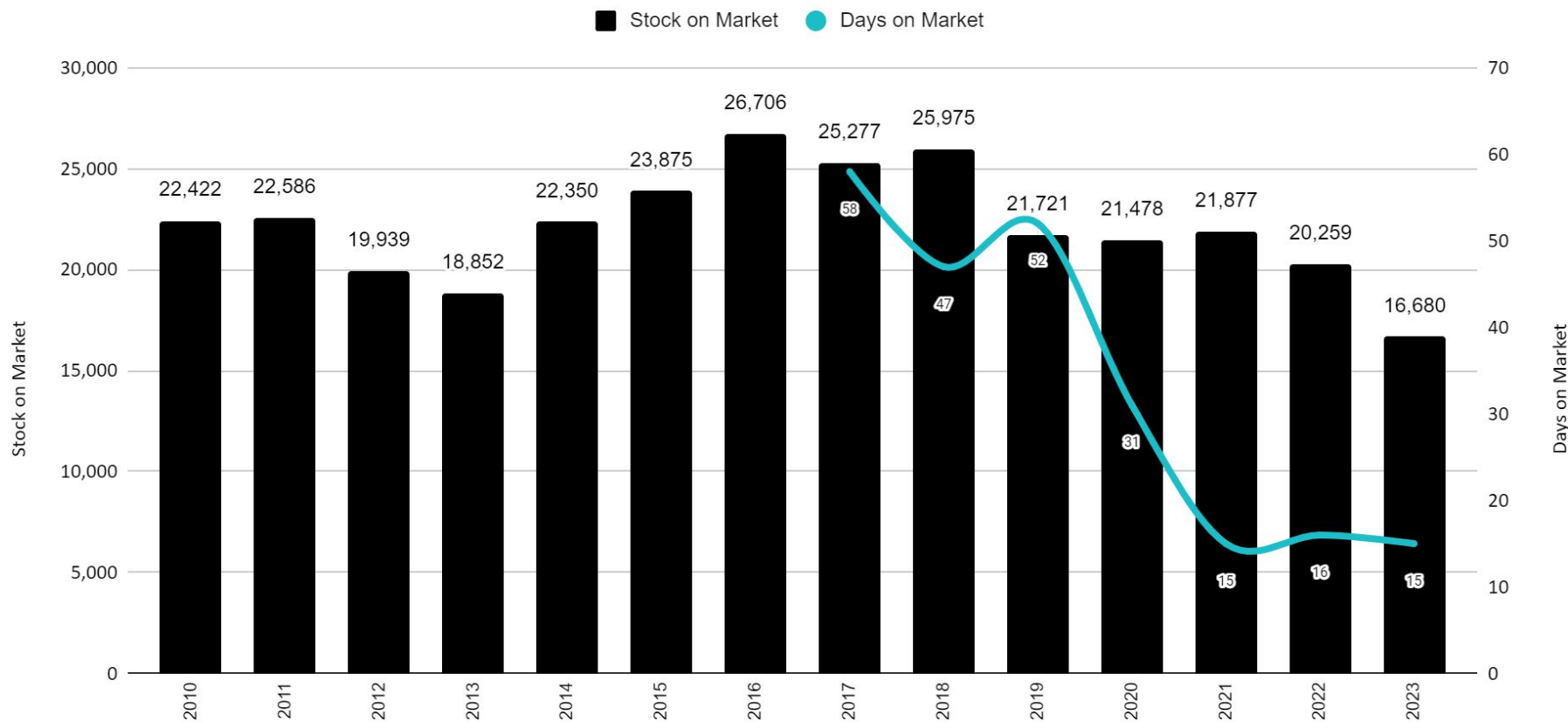
PERTH - HOUSE v UNIT



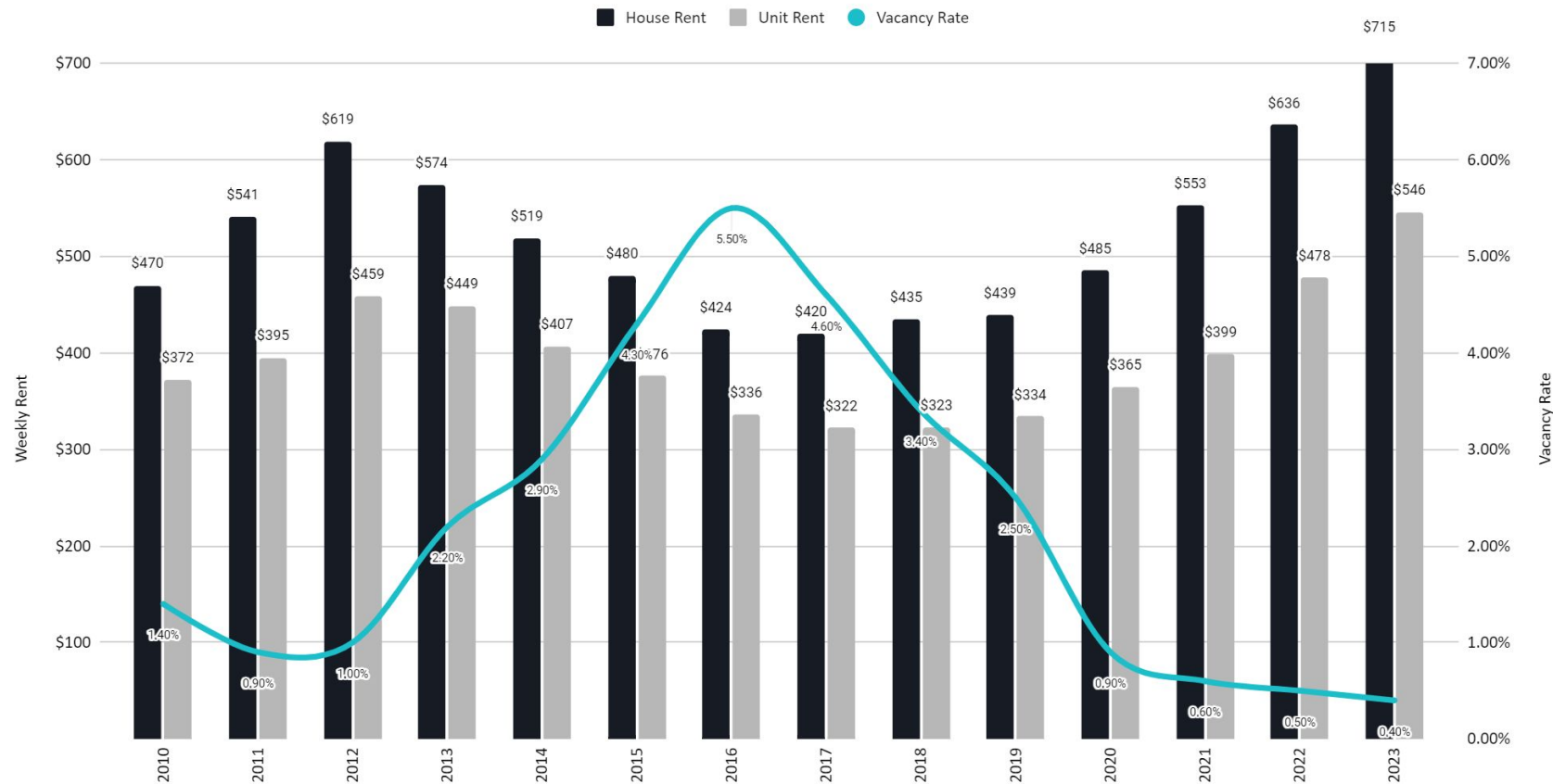
PERTH - HH LENDING TO OC



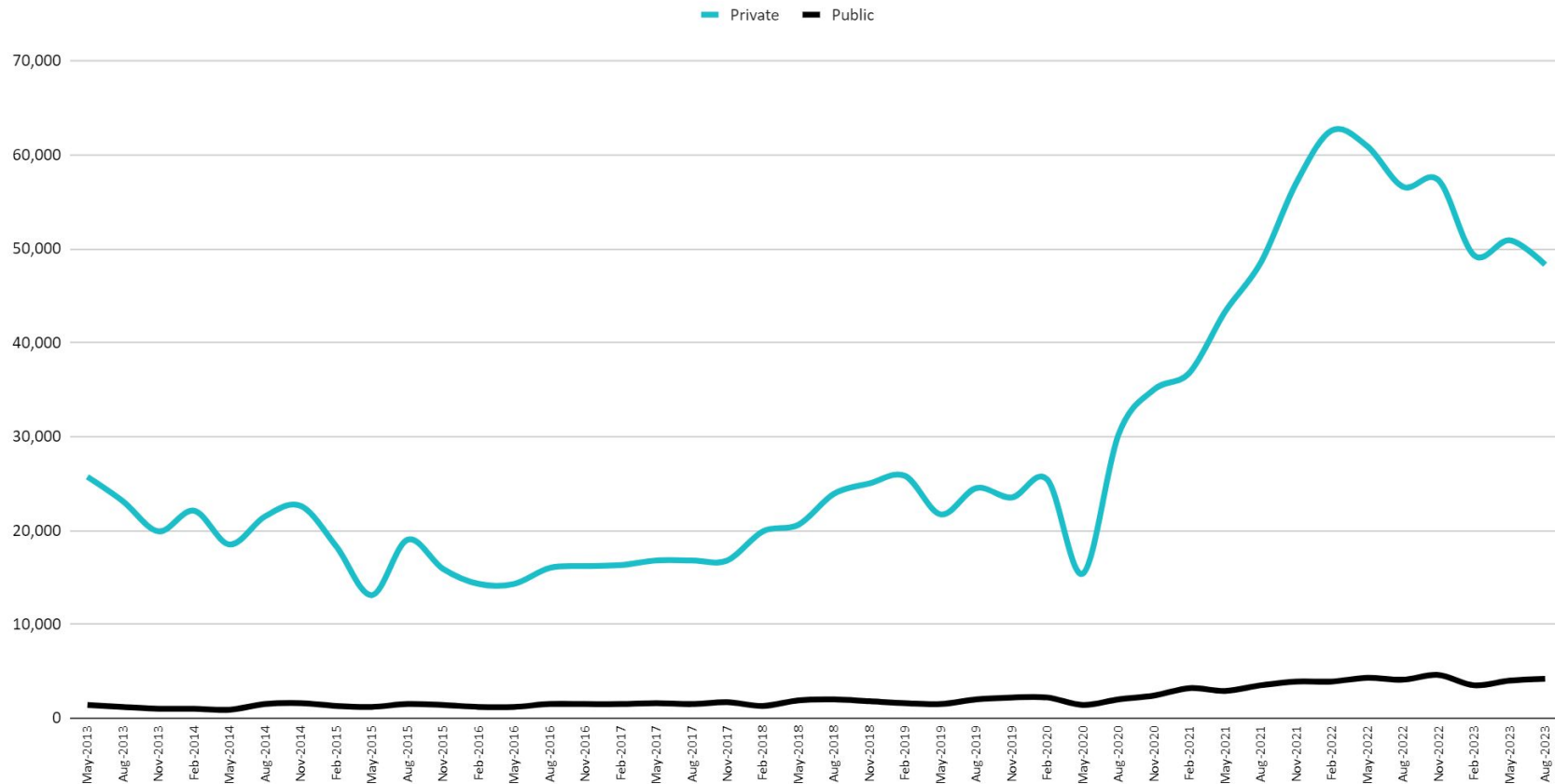
PERTH - STOCK ON MARKET



PERTH - VACANCY RATE

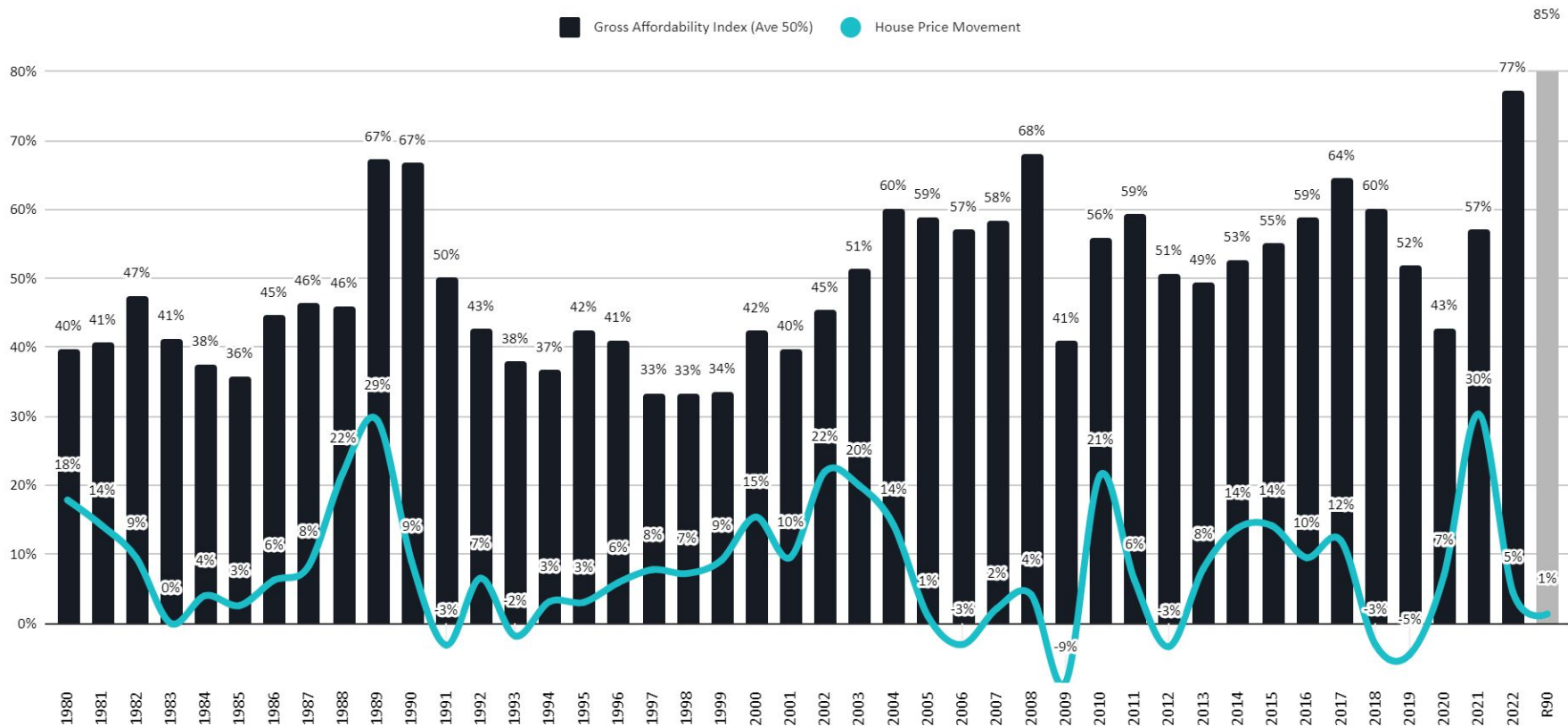


PERTH - JOB VACANCIES

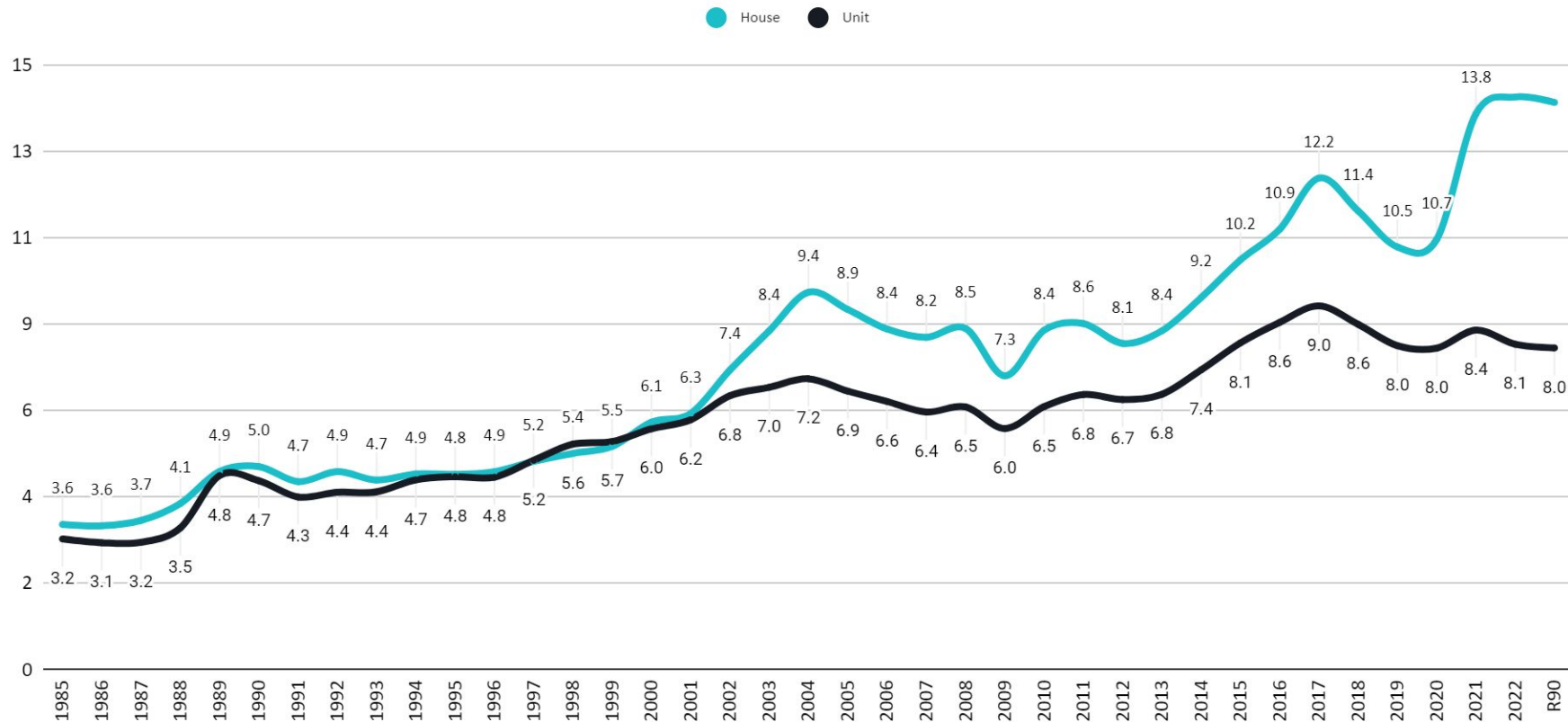


SYDNEY

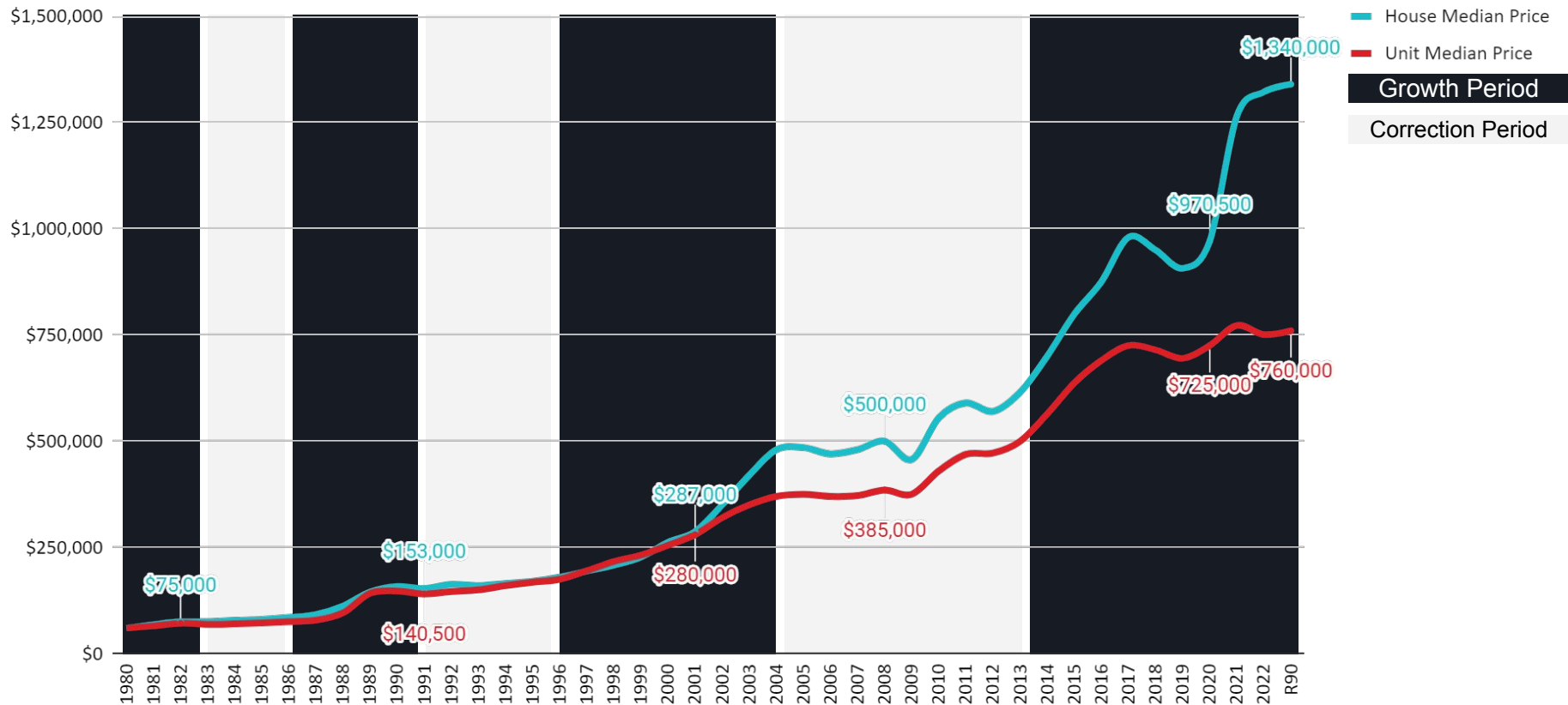
SYDNEY - AFFORDABILITY INDEX



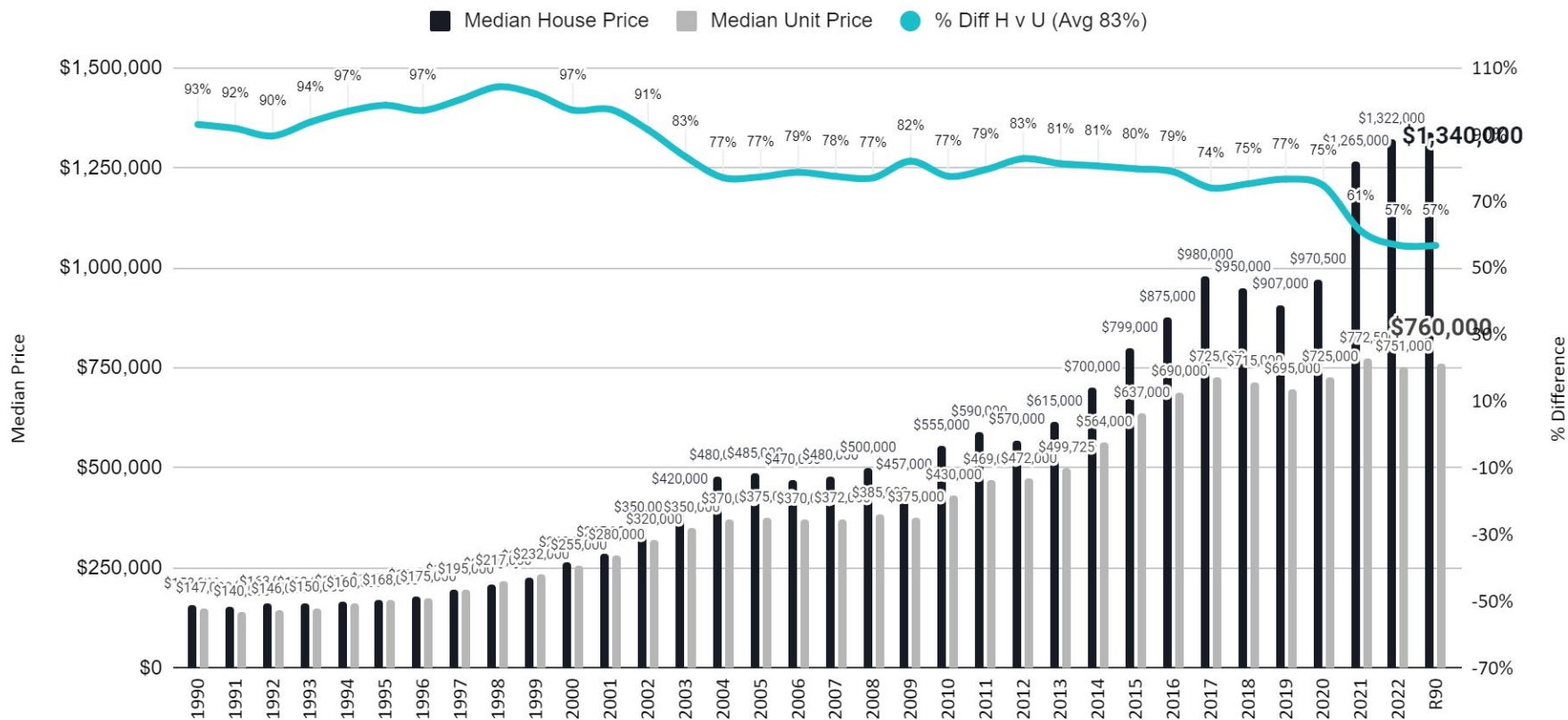
SYDNEY - PRICE TO INCOME



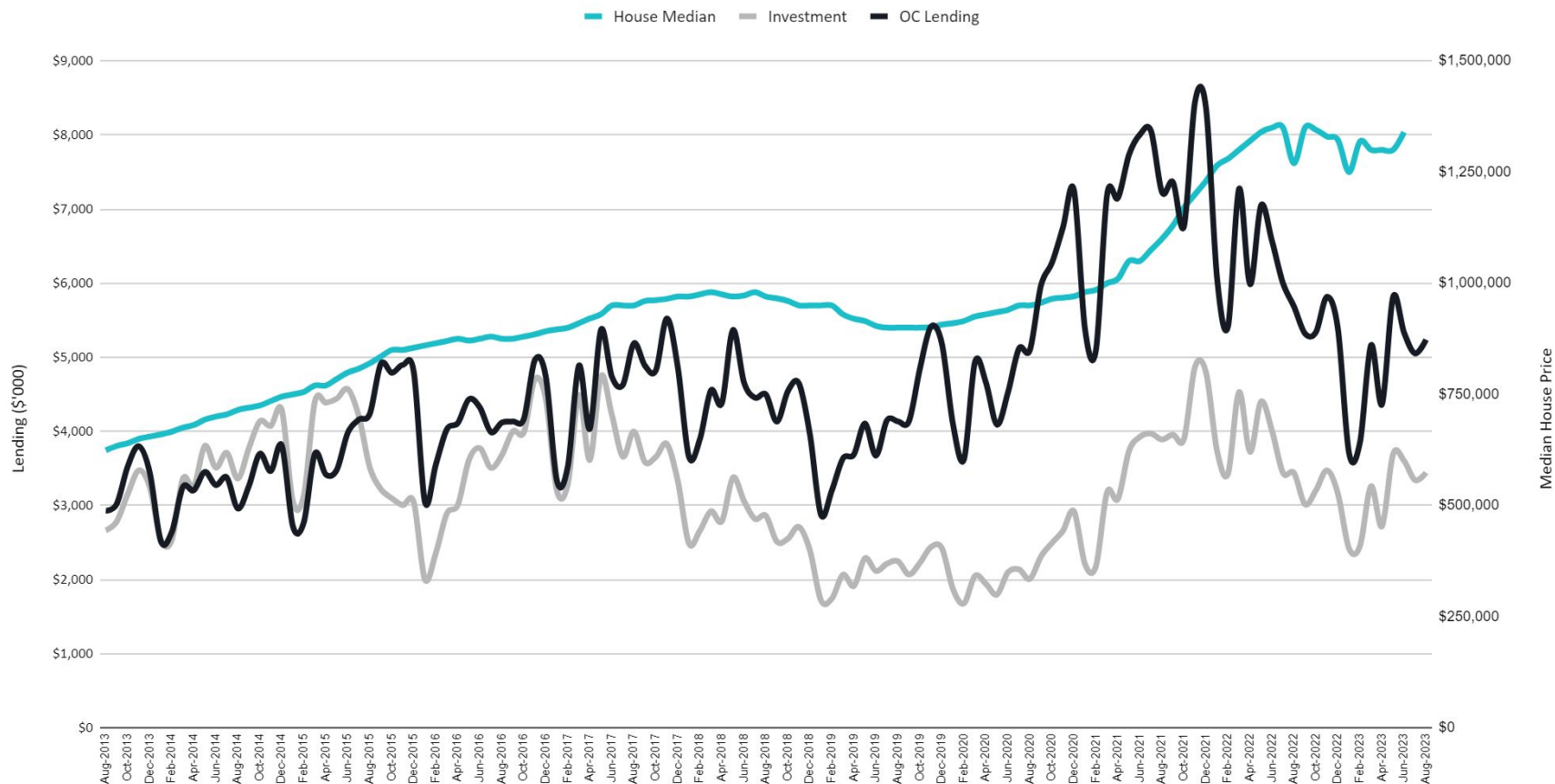
SYDNEY - MEDIAN HOUSE PRICE



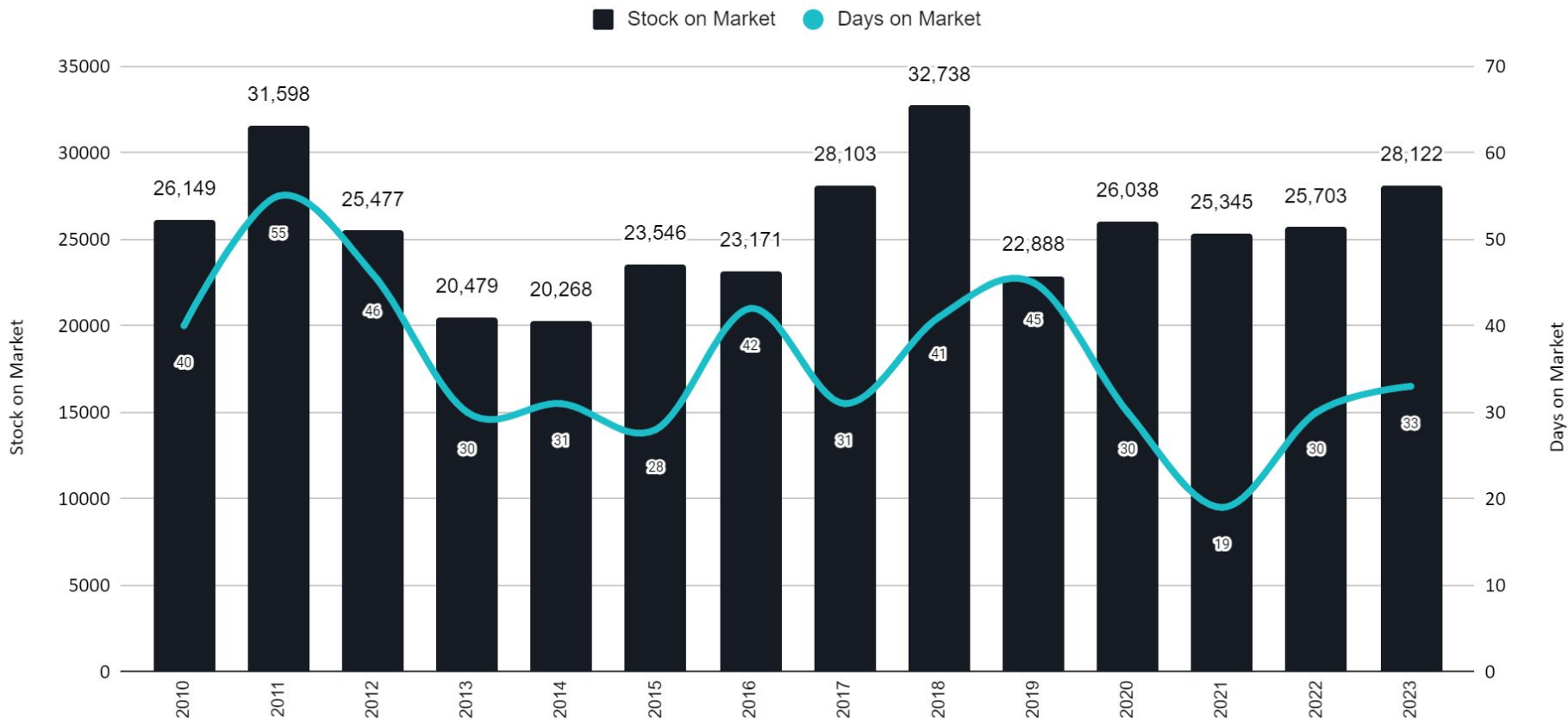
SYDNEY - HOUSE v UNIT



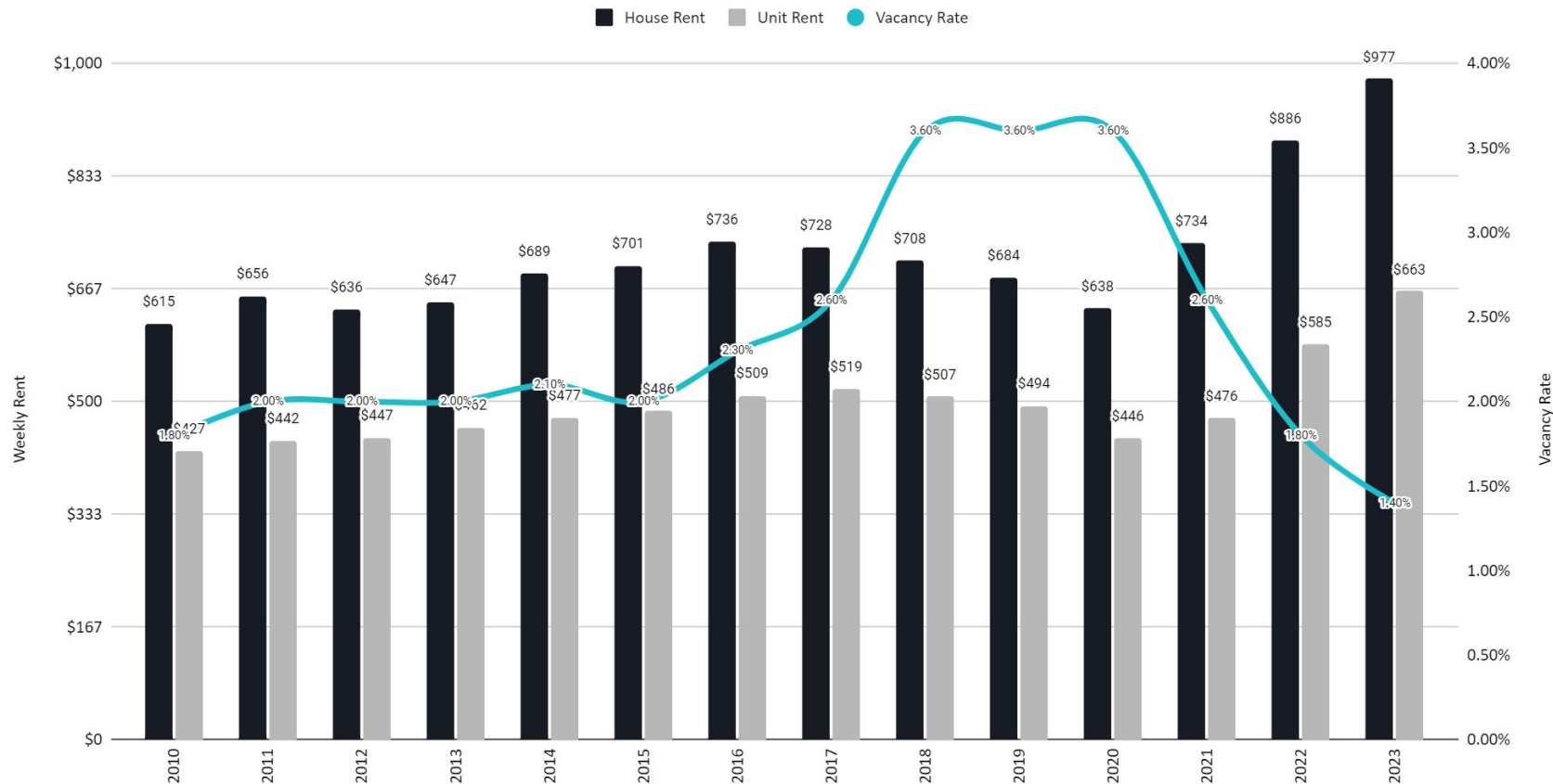
SYDNEY - HH LENDING TO OC



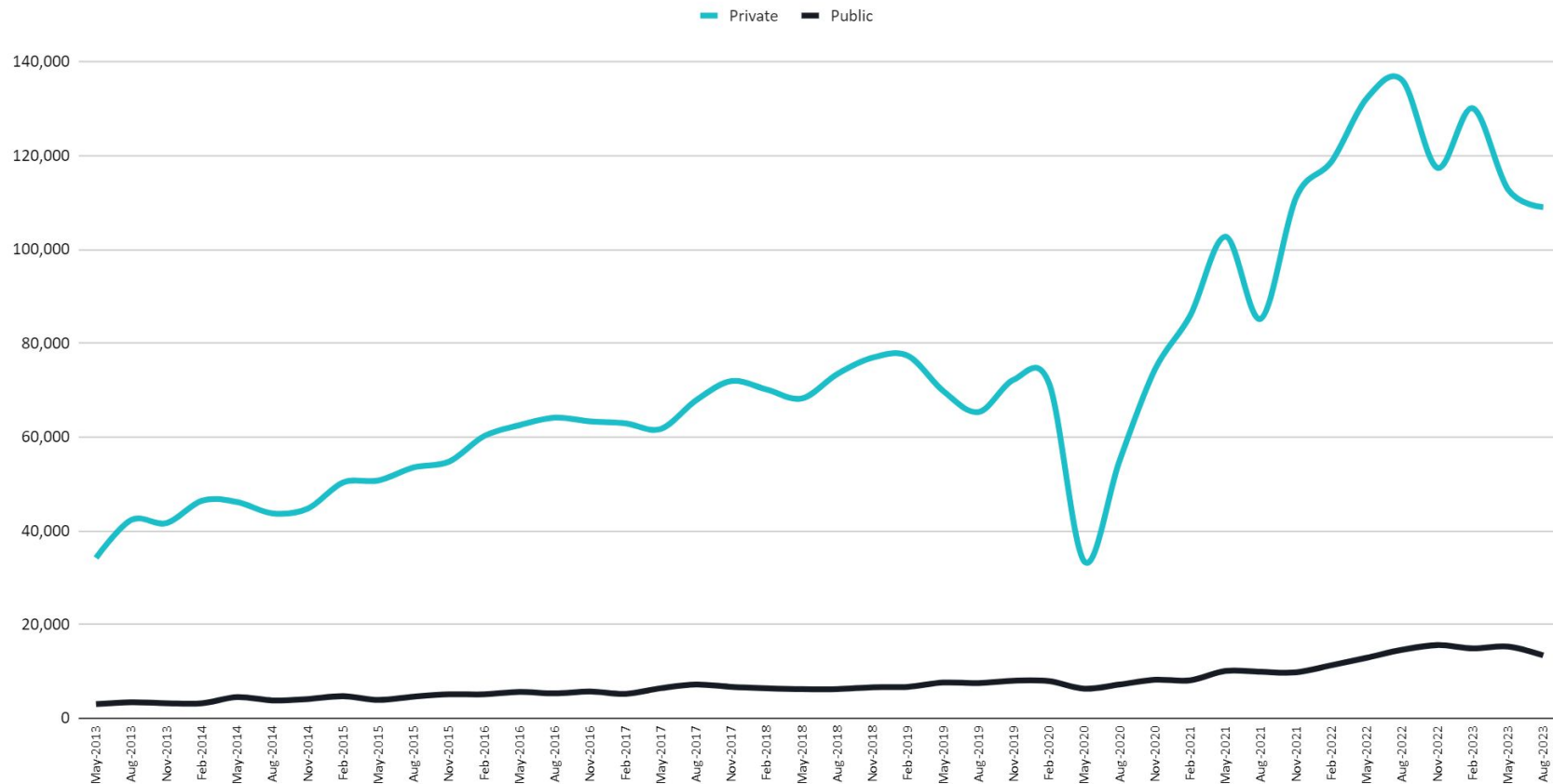
SYDNEY - STOCK ON MARKET



SYDNEY - VACANCY RATE

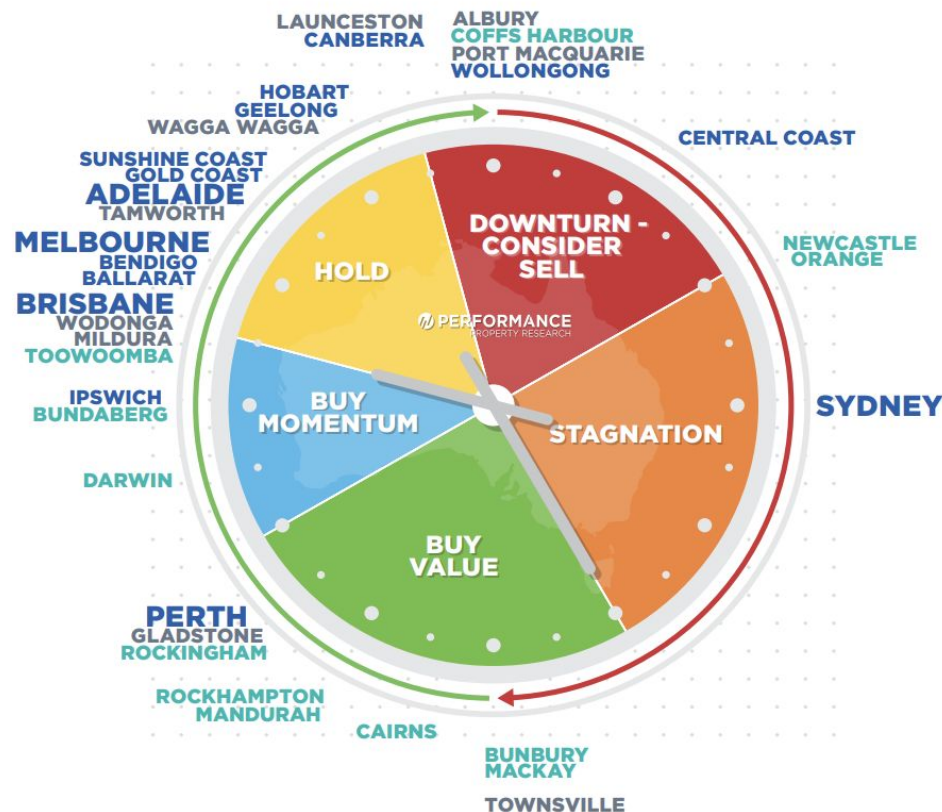


SYDNEY - JOB VACANCIES



PROPERTY CLOCK - TIMING (HOUSE)

EDITION 8 - 2023

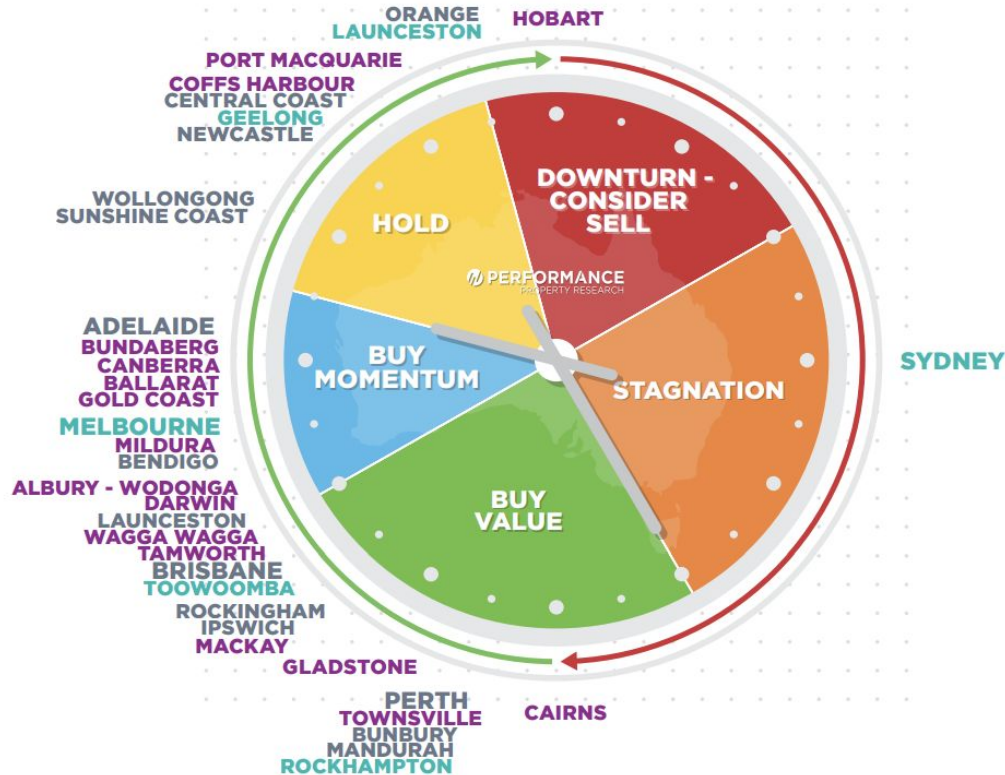


LEGEND - CITY COLOUR CODES

- AAA - 7.0% + PA GROWTH
- BBB - 6.0%-6.9% PA GROWTH
- CCC - 5.0%-5.9% PA GROWTH
- DDD - <4.9% PA GROWTH

PROPERTY CLOCK - TIMING (UNIT)

EDITION 8 - 2023



LEGEND - CITY COLOUR CODES

- AAA - 7.0% + PA GROWTH
- BBB - 6.0%-6.9% PA GROWTH
- CCC - 5.0%-5.9% PA GROWTH
- DDD - <4.9% PA GROWTH

	CURRENT	PRICE FORECAST		
		1	2	3
Current Cash Rate	4.10%			
Assumed Cash Rate		2.90%	3.90%	4.90%
Likely Variable Rate	6.45%	5.15%	6.15%	7.15%

MARKET		PRICE CHANGE		
Perth	71%	97%	76%	59%
Darwin	42%	63%	46%	32%
Brisbane	15%	33%	19%	7%
Adelaide	3%	19%	6%	-4%
Melbourne	4%	20%	7%	-3%
Canberra	-6%	8%	-3%	-13%
Sydney	-29%	-19%	-27%	-34%

COMMERCIAL

COMMERCIAL UPDATE - OCTOBER 2023

Australian Commercial property saw a 6.8% total return in 2022, however Q4 in isolation saw negative growth and **transaction volumes down 66%**.

Historically there is a 6 month lag for transaction volumes to begin affecting prices strongly.

The rising cash rate in theory should mean we see softening yields, however we have seen only minor increases of yields of around 50 basis points Vs a 400 basis point increase in cash rate.

On the flip side, rising construction costs have held back supply which is putting upward pressure on rents across the board.

Quality defensive commercial property is yielding between 4.5% & 5.5%

To summarise our view on commercial property as a whole the market should soften marginally in price throughout 2023 - 2024, however there will be opportunities that fit individual client portfolios and our funds management business.

RECOMMENDED COMMERCIAL STRATEGIES

- PPOB purchases
- Passive, defensive income producing assets - at 5.5%+
- Medium-long term development sites
- Strategic partnerships

SUMMARY

- Rising interest will produce headwinds across the country to ALL markets
- The residential & commercial markets are heavily undersupplied
 - Highly likely to get worse next 2 - 3 years
 - Resulting in strong rental growth which is a positive for investors
- Good opportunity to acquire residential growth assets in our approved regions between now and 2024
- Most clients should continue to hold existing growth assets, as markets should do well next 2 - 4 years, on a falling cash rate and rising rents
- Those clients moving into less than 10 years from retirement, we now have a strong focus on increase net yield within the portfolio

RECENT ACQUISITION EXAMPLES

COMMERCIAL

ADELAIDE, SA

Land & Accommodation	1,093 m ² , 15 car spaces
Purchase Price	\$4,425,000
Annual Rent	\$227,249
Net Yield	5.14%
Suburb Rating	AAA
Property Grade	A+ Grade



COMMERCIAL

PERTH, WA

Land & Accommodation	3,726 m ² , 20 car spaces
Purchase Price	\$2,900,000
Annual Rent	\$165,000
Net Yield	5.69%
Suburb Rating	AAA
Property Grade	A+ Grade



COMMERCIAL

BRISBANE, QLD

Land & Accommodation	6,339 m ² , 50 car spaces
Purchase Price	\$5,000,000
Annual Rent	\$315,962
Net Yield	6.32%
Suburb Rating	AAA
Property Grade	A+ Grade



RESIDENTIAL

ROCKINGHAM, WA

Land & Accommodation	641m ² , 3 bedrooms, 1 bathroom, 2 living rooms, 2 car spaces
Purchase Price	\$500,500
Annual Rent	\$15,016
Net Yield	3.00%
Suburb Rating	BBB
Property Grade	A - Established Home



RESIDENTIAL

BAYSWATER, WA

Land & Accommodation	526m ² , 4 bedrooms, 2 bathrooms, 2, living rooms, 2 car spaces
Purchase Price	\$1,000,000
Annual Rent	\$40,000
Net Yield	4.02%
Suburb Rating	AAA
Property Grade	A - Established Home



RESIDENTIAL

LEEMING, WA

Land & Accommodation	740m ² , 4 bedrooms, 2 bathrooms, 2 living rooms, 2 car space
Purchase Price	\$970,000
Annual Rent	\$23,248
Net Yield	2.40%
Suburb Rating	AAA
Property Grade	A - Established Home



QUESTIONS?
