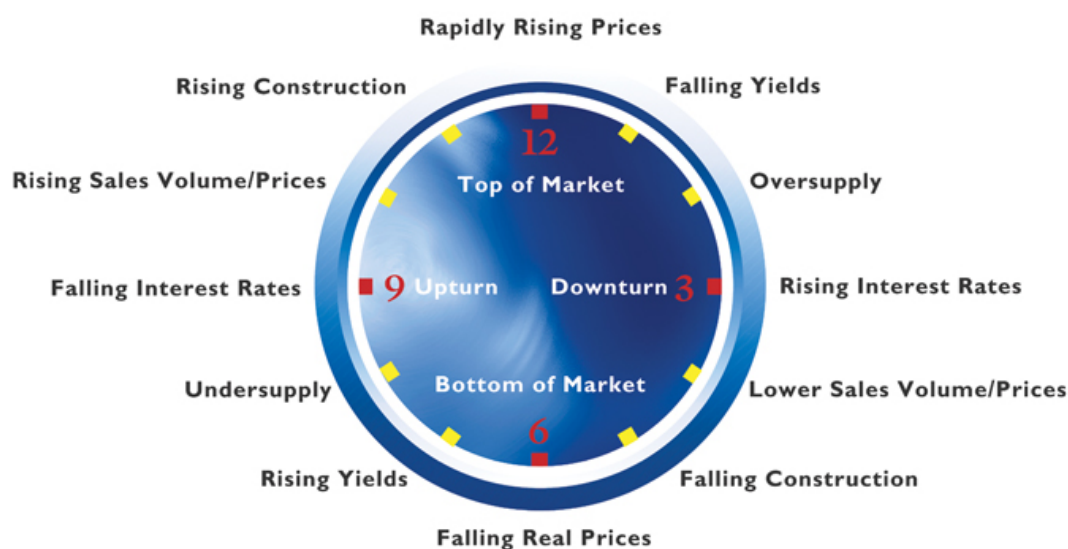


## Residential Property Market Cycle Clock

Wholesale Property Brokers have identified the market currently in Melbourne and Sydney in particular to be at the optimum time to be investing. Although we can always do well by securing property at below its true market value, this 'Market Cycle Clock' represents where our market is currently tracking between 7 and 8 o'clock. The next 12 months represents a window of opportunity to secure property extremely well whilst it is still a buyers market.



Once this time line reaches 10 o'clock the vendors will no longer be so negotiable and once again it will be a sellers market. The current vacancy rates for Melbourne as of the March 06 quarter is 1.8% and Sydney is 2.0%. These figures are a reflection of the last property boom, that made it difficult for many would be purchasers have been forced to rent due to the higher purchase prices. Now the rental yields are improving with the shortage of properties in both Melbourne and Sydney, this shortage will shortly have an adverse effect on property prices. I expect this effect to become prevalent in mid 2007 ...

Source data : Real Estate Institute of Australia and 'ANZ property snapshot'.

