

At the end of any given financial quarter, the listed property market will have done one of three things – gone up, gone down or stayed the same.

Quarter 1 review.

Property markets copped the brunt of events in the US, falling 17.9% by quarter end and underperforming the broader market by 3.5%. Fears of a US recession are being driven by weakness in the housing sector. On top of this, continued worries about the credit squeeze saw a major selling out of property.

Mixed company earnings news didn't help matters much. Some reported in line with expectations, while others reported lower. The US Federal Reserve tried to get people spending by cutting interest rates by 2.0%.

Outlook – cautious.

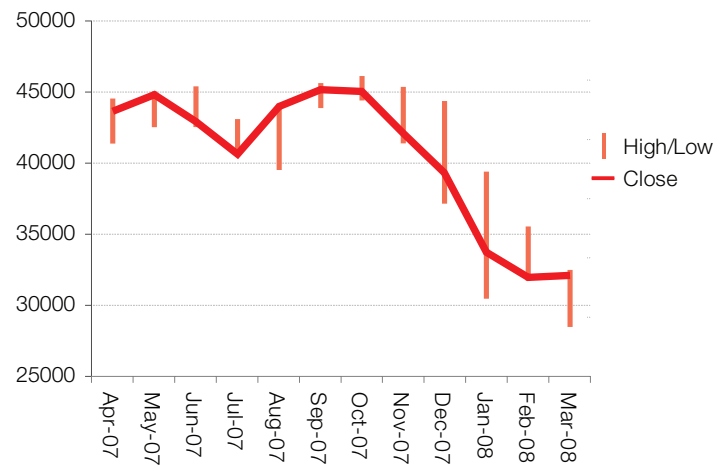
The bad news is currently outweighing the good. Owning property is still a great investment, as underlying cashflow remains strong. But, continued worries about debt and refinancing costs (due to the credit crisis) are negatively affecting the sector.

Aussie consumer confidence and retail spending are really low. So, investors are predicting an interest rate cut before year end. In the meantime, expect more volatility.

How this relates to Virgin Super options.

The more property you have in your asset split, the more relevant this information is. Property comprises a relatively small percentage of Life Stage Tracker® options.

S&P/ASX 200 GICS Property Accumulation Index



The legal bits.

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