

Just like shares, property can give you more “bang for your buck” than, say, fixed interest or cash. And, like shares, they can rise and fall a lot in price over the short term. But we’re not talking about residential property here. Listed property allows investors to buy a diversified portfolio of commercial real estate like offices, hotels and shopping centres. These stocks are usually more liquid (ie easier to cash in) than residential property, as they’re listed on the stock exchange.

Quarter 3 review.

Unlike last quarter, property surprised on the upside. Although still finishing down by 1.3%, it outperformed the broader market by 10%.

Similar to shares, the property sector was all concerned with the financial crisis. So investors looked for safer stocks with low levels of debt, limited offshore exposure and good quality assets. The US has put forward a \$700 bn aid package to resolve some of the problems in the credit markets. But, until it’s been fully rolled out, we’re expecting this type of cautious investing to continue.

Outlook – still cautious.

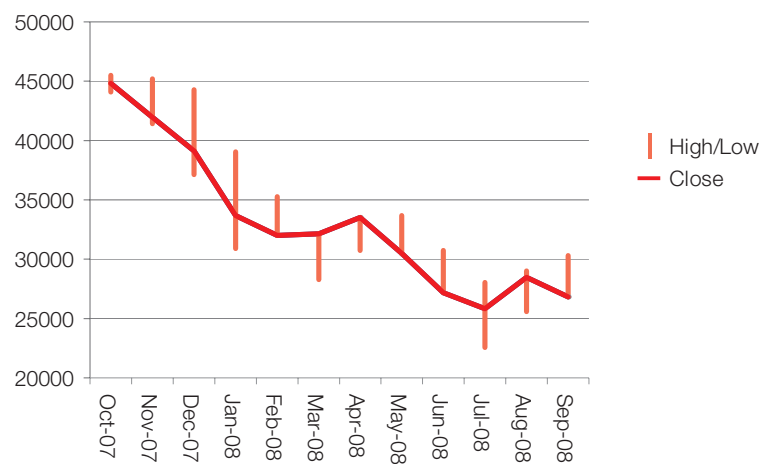
It all sounds pretty dismal but, in actual fact, the underlying fundamentals for property are still good. There’s a bit less demand for office space, because companies are cutting back on spending. However, the RBA is tipped to cut interest rates another 3 to 4 times by mid next year, which will hopefully jump start the slowing housing market.

Until then, the sector will remain focused on the US economy, the roll out and success of the financial aid package and the credit crisis.

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 Property Trust Accumulation Index



The legal bits.

Small note from the legal guys. This market report has been prepared by Virgin Money Financial Services ('we') Pty Ltd ABN 51 113 285 395 AFSL 286869 (VMFS) for Trust Company Superannuation Services Limited ABN 49 006 421 638 AFSL 235153 RSE L0000635 as Trustee for Virgin Superannuation RSE R1001440. The info it covers is current as at 30 September 2008, and applies to money matters in general, not you specifically. The info source is a third party provider. We haven't verified its accuracy so can't guarantee that it is correct, and accept no liability for inaccuracies, errors or omissions. Before deciding whether Virgin Super fits your financial objectives, situation or needs, we suggest a quiet word with a financial advisor. Important note is that past performance is not indicative of future performance.