

## OUR MD BECOMES INDUSTRY PRESIDENT

In April, 2000, Chris Morton the Managing Director of PFA was elected the national president of the Australian Direct Property Investment Association which is the industry body that represents the interests of investors, managers and others taking part in property syndicates and direct property investments.

We at PFA consider this due recognition of the role that PFA plays in the industry and the regard that its staff are held by participants in the industry.

In this constantly changing political environment, Chris has a busy agenda of issues to be dealt with on your behalf.

## CHANGING YOUR BANK DETAILS OR MOVING

### DON'T FORGET TO LET US KNOW

To ensure that you keep receiving your monthly income distributions don't forget to advise us if you change your bank account details in order that the electronic credit distribution system does not reject the transfer. Likewise, if you are changing your mailing address (as shown on the Syndicate or Trust Registers) we need to be notified.

Any changes need to be notified to us in writing and signed by the applicant/s who signed the original application form.

## TAX RETURN TIME

You are now in receipt of the Distribution Summary you need to complete your tax return.

Please read this notice carefully prior to completing your tax return or pass it onto your accountant or tax agent.

## INVESTOR SERVICES PERSONNEL

### WHO TO CONTACT?

If you have any queries about your investment, please contact our Manager - Investment Services, Bronwyn Risk.

### FOR FURTHER INFORMATION CONTACT:

#### Bronwyn Risk

Level 23, Central Plaza 2,  
66 Eagle Street, Brisbane Q. 4000  
PO Box 10398, Brisbane, Adelaide St. Q. 4000  
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## NEW DIRECTOR APPOINTED



PFA are pleased to announce the appointment of Mr David Conquest as National Marketing Director.

David has over 16 years experience in the financial services and property industries and has held senior roles with Lend Lease, Suncorp Metway and Deutsche Bank and is a former property lecturer at the Securities Institute of Australia.

David has a high profile within the financial services industry and has significant experience working with financial intermediaries, dealer principals, research analysts and superannuation trustees. David's expertise within the financial services industry will assist the organisation with investment product development, distribution and delivery.

## WE'VE MOVED

To accommodate our growing team, we have recently relocated to new premises located at Central Plaza 2, 66 Eagle Street, Brisbane. All of our other contact details remain unchanged.

## CHANGE OF EMAIL ADDRESS

We have recently shortened our email address to [pfaltd.com.au](mailto:pfaltd.com.au).

# THE METROPOLITAN

AN INVESTOR UPDATE

# Mail

ISSUE No.3

## GST – WE WERE READY!

We are pleased to report that based on currently available legislation, no material affect on distributions to investors is expected to flow from GST. An analysis of existing leases was carried out with the assistance of the services of BDO Kendalls, Chartered Accountants, the general financial adviser to your investment.

Considerable time was spent in assessing outgoing and operating expense estimates which are provided to tenants. This was indeed a difficult area given the uncertainties that existed in the lead up to the implementation of GST from 1 July, 2000.

The only material GST concern has been with the National Australia Bank lease in the Coorparoo property due to it being a long term, fixed review lease continuing beyond 2005. No conclusion can be formed on the post-2005 GST treatment of this lease until legislation which deals with long term leases and the GST position post-2005 is available.

Your tax advisers have difficulty forming a conclusion based on the Government announcements made to date. These announcements have however been positive.

## DISTRIBUTIONS

We are pleased to advise that the Board of PFA has confirmed that distributions should continue in accordance with the prospectus forecast. The Board continues to monitor distribution levels throughout the year and carries out a mid-financial year review to confirm that forecast distribution levels can continue to be met.

Keeping in line with the prospectus forecasts, your monthly distributions have now been increased to 9.7% for the year ending 30 June 2001. Your July payment (paid 21 August) will reflect the new rate.



Jason Pfitzner

## BURNING SUCCESS

Jason Pfitzner, co-owner of Embers Woodfired Pizza Café Bar, a tenant at The Precinct aims to ensure all customers have a "quality dining experience". Jason and Embers were

recently featured in the lifestyle weekly magazine "Brisbane News". Jason says, "We have been very happy with the initial public response Embers has received. The Coorparoo market obviously needed a product like this."

## WHAT THE FINANCIAL PLANNER OF THE YEAR SAYS ABOUT US

Peter Dunn, Money Management's 1999 Financial Planner of the Year and supporter of PFA products including The Metropolitan Collection says "PFA provides investors with a good and competitive tax effective income stream backed by strong management".

## WHERE'S RALPH?

As mentioned in the last Investor Update, business taxation was under review.

Subsequent to that update, certain aspects of the Ralph Committee report and the Government response (such as those aspects relating to capital gains tax and accelerated depreciation changes) have been given effect to by the passing of legislation. The accelerated depreciation changes do not affect original investors in The Metropolitan Collection – Brisbane due to the timing of the acquisition of their interest. Other aspects such as entity tax reform and wasted assets regime proposals are still outstanding and have not been tabled in Federal Parliament. The controversial definition of "Collective Investment Scheme" is currently being discussed between representatives of the managed funds industry and government.

## MIA CONVERSION COMPLETE

Investors may recall receiving in May a letter and explanatory statement on the conversion of The Metropolitan Collection across to a Managed Investment Scheme under the Managed Investments Act 1998 (as highlighted in the original prospectus). The conversion was successfully completed and The Metropolitan Collection – Brisbane Syndicate and Trust, were registered as a managed investment scheme by ASIC on 27 June, 2000. This conversion was carried out at the same time as hundreds of other managed investments in Australia.

As part of this process the existing syndicate and trust deeds were replaced by new constitutions. Negotiations were completed with the original trustee, Trust Company of Australia Limited which has agreed to continue as custodian of the assets on behalf of the manager under a custody agreement. Documentation relating to the conversion was also finalised with the various financiers. PFA is now the single responsible entity of The Metropolitan Collection – Brisbane.

As far as the fundamental essence of your investment is concerned, nothing has changed.

## THE METROPOLITAN COLLECTION – PROPERTY UPDATES

### ANZAC SQUARE COMPLEX



#### AWARD FOR EXCELLENCE

The Anzac Square complex recently won the prestigious Property Council of Australia's Rider Hunt Award for Queensland. The conversion of this heritage complex into the four components including the commercial offices, retail arcade, luxury units and apartment hotel was recognised for its cultural considerations.

#### NEARBY MINCOM DEVELOPMENT

Brisbane's CBD office market has received a vote of confidence with the recent completion of the new \$95 million Mincom Central office tower. Located a short distance from your property and also adjacent to Central Railway Station, Mincom Central is fully leased to Mincom Limited, Telstra, Queensland Sugar Board and Citic.

The success of this development shows the appeal of this part of Brisbane's commercial office precinct.

#### COFFEE SHOP NEGOTIATIONS

As reported previously, both the Heritage Council and the Brisbane City Council have given their approval for the use of the ground floor heritage corridor as a coffee shop. Given the growth in the number of coffee shops in the Brisbane CBD, as well as interest from interstate based coffee outlets, a number of prospective operators have been introduced to the site with negotiations well advanced with one operator.

You may be interested to note that per head of population, Brisbane is still under-supplied with coffee outlets in comparison with other capital cities.

### THE PRECINCT – COORPAROO

#### TENANCY UPDATE

In the last edition of The Metropolitan Mail, we reported that a lease had been secured with Mussels Fish and Chippery and negotiations finalised with a video hire operator and takeaway chicken outlet. After careful consideration and in the interests of investors, these tenancies did not proceed.

However, instead of these tenancies we are currently finalising negotiations with an experienced restaurateur who will shortly commence fitout for a seafood restaurant/bar and takeaway over two shops. The operator has many years experience as a restaurateur in some of Brisbane's most established eateries. We believe that this will be another successful venture.

Following the finalisation of this lease, there will only be one vacant area of 53m<sup>2</sup> within the retail component of the property. The

vendor continues to provide rental support on any vacant areas.

We are currently working on creating an eye-catching lighting oriented structure at The Precinct corner to attract the attention of passing traffic and to give the property further identity.

#### ADJACENT RESIDENTIAL DEVELOPMENT COMPLETED

A well-established inner-city suburb of Brisbane, Coorparoo is undergoing a resurgence as evidenced by the continuing development in the area. Just to the north of The Precinct, a major residential development has recently been completed consisting of ninety-two (92) two and three bedroom townhouses and units. The growth of Coorparoo and its surrounds will be a tremendous benefit to the already popular eateries located at The Precinct.



### MACGREGOR PROPERTY – 544 KESSELS ROAD

#### HUDSON TIMBER AND HARDWARE ACQUISITION

On 31st March, 2000 Hudson Timber and Hardware Limited, acquired three businesses from Bretts Timber & Hardware including the business located at 544 Kessels Road, MacGregor. Consequently, the Bretts building has now been repainted and re-badged as a Hudsons operation.

Hudson Timber and Hardware Limited is the largest manufacturer of wall frames



Hudson Timber and Hardware premises, MacGregor.

and roof trusses in the Southern Hemisphere and operates out of 22 sites in New South Wales, Queensland and

Victoria. Hudson also distributes timber and hardware, building materials, white goods, tapware, sanitaryware and bathroom products. Hudson is one of the original and ongoing suppliers to the Olympic housing project. Hudson is a listed public company, which as at 16th August, 2000, had a market capitalisation of \$133 million, making it a larger covenant in value than Bretts.

Consent to the assignment of the Bretts leases has been granted with Bretts Limited not released from their contractual liability under the leases and, as such, their "guarantee" will continue alongside Hudson's covenant.

#### STAGE ONE – EXTENSION – NEW TENANCIES

The completion of Stage 1 of the extension to the Macgregor property has received good interest, resulting in the securing of the following leases:

- Apollo Window Blinds, a national manufacturer and supplier of blinds and awnings;
- Strut Pacific Pty Ltd, an importer and supplier of steel. Customers include Fisher & Paykel and James Hardie Industries.

Lease documentation is currently being finalised on two other units. Details of these will be provided in the next update.



PROPERTY FUNDS AUSTRALIA LIMITED

THE METROPOLITAN