VALAD

Valad Property Group

VPG ASX Announcement

19 December 2005

VALAD'S $23 MILLION TOOWOOMBA BULKY GOODS BUY

- National retailers include Harvey Norman and Bunnings Warehouse
- The strongest destination for bulky goods in Toowoomba

Valad Property Group (ASX: VPG) announces the acquisition of the Toowoomba bulky goods retail centre with Harvey Norman and Bunnings Warehouse as tenants for $22.75 million.

'We are delighted to announce the acquisition of this key bulky retail centre servicing the Toowoomba area with leading national retailers including Harvey Norman and Bunnings Warehouse,' says Martyn McCarthy, CEO – Real Estate Investments.

The property comprises two adjoining centres totalling 13,517sqm covering 4.383ha at Ruthven Street, Kearneys Spring, in Queensland. There are 336 car spaces.

The Harvey Norman Centre is fully leased to national retailers Harvey Norman Electrical and HN Mega Flooring, Super Cheap Auto, Capt'n Snooze (Freedom Group), Crazy Clarks (Millers), Rugs a Million, and a café.

The Bunnings Warehouse adjoins the Harvey Norman Centre.

'This represents an excellent opportunity to expand our bulky goods retail portfolio and increase our investment portfolio weighting in Queensland,' says McCarthy. 'Toowoomba City provides a population catchment area of approximately 134,000 people and is the hub of the wider Darling Downs region with a population in excess of 210,000 and growth above the national average.'

According to research commissioned from Dimasi and Mapinfo, the Harvey Norman Centre contains the largest concentration of bulky goods retailers in the Toowoomba and greater Darling Downs area. Moreover, the centre is the strongest destination for bulky goods in Toowoomba given its composition, location, accessibility and layout.

The assets have a weighted average lease expiry of 3.6 years, and were purchased on a yield of 7.7%pa.

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Valad Property Group

Toowoomba brings Valad's growing bulky goods retail portfolio to over $257 million.

Valad's bulky goods retail portfolio now includes:
- the Harvey Norman Centre in Toowoomba, four Home Central centres at Bankstown (NSW), McGraths Hill (NSW), West Gosford (NSW), and Kawana (QLD), and a bulky goods site at Coffs Harbour (NSW); plus
- five Bunning Warehouses including Toowoomba (QLD), Oxley (QLD), McGraths Hill (NSW), West Gosford (NSW) and Moonah (TAS).

The Toowoomba property is conveniently located approximately four kilometres south of the Toowoomba CBD, on the major north-south arterial road.

The purchase was negotiated through Greg Wells of Ray White Commercial.

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About Valad
Valad Property Group (ASX Code: VPG) is a stapled security combining a listed property trust and a funds management company, with total assets under management in excess of $1.6 billion, and a market capitalisation of over $750 million. The listed property trust, Valad Property Trust, has approximately $700 million in stable income generating property assets. The funds management company, Valad Funds Management, offers property investments across a range of risk/return profiles from passive portfolios to specialist and value-adding investment opportunities, and is Australia's leading manager of value-adding property funds.
www.valad.com.au