



Blueprint

for the Property Investment Industry

September 2009



Six Point Plan of Action

The Voice of Leadership

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Property Council members have developed a *Blueprint for the Property Investment Industry*.

The goals that guide the *Blueprint* were developed at a workshop of senior property executives held in April 2009.

The draft *Blueprint* was discussed at the Capital Markets Leaders Summit 09 held in Canberra in June 2009.

The six point plan of action arose from the Summit deliberations.

The *Blueprint* envisages a future where:

1. Property would be a **distinct asset class**
2. Property would be a magnet for **stable equity and debt flows**
3. The property asset class would be **domestically and internationally relevant, competitive and attractive**
4. The property asset class would be a **trusted, safe and reliable investment choice**
5. Property would be subject to **fair taxes and rational regulation**
6. The property asset class would offer a **diverse menu of investment choices**
7. Property would be an **attractor of talent** – the best and the brightest
8. Property would be underpinned by **strong underlying user demand**
9. The property asset class would be **socially and environmentally responsible**



Six Point Plan of Action

Action One – Secure deep and liquid debt markets

Lobby the Australian Government (in alliance with key stakeholders) to:

- Improve the operation of the Basel II framework in Australia
- Extend its guarantee to AAA rated asset-backed securities
- Equalise the fee it charges for the banking guarantee across all ADIs (at a low rate)
- Establish a government-backed emergency rollover relief fund
- Remove regulatory barriers and promote deeper, more diverse secondary debt markets

Action Two – Engage regularly with key stakeholders and customers

- Establish a regular dialogue with banks at the most senior level
- Establish a specific home within the Property Council for the unlisted property investment community
- Establish a P20 group and meetings: the 20 key decision-makers within the asset consultant, research and superannuation and retail investor communities
- Hold a 'Davos-style' event that attracts the top 30 super/pension fund CIOs/heads of property
- Establish an event for rising stars within the investment property community
- Develop stronger alliances with key industry bodies – AIST, ASFA, FPA, IFSA
- Strengthen alliances with global property industry bodies

Action Three – Prepare a voluntary guide to leading industry practice

- Prepare guidelines that outline world class principles and practices for financial and corporate responsibility performance reporting, including standard property industry definitions and a supporting resource kit
- Agree on common labels for different property investment products and vehicles
- Modernise real estate valuation practices in consultation with regulators, accounting professions, the API and RICS

Action Four – Implement a market and customer outreach campaign

- Regularly publish comprehensive data on key property industry metrics, in association with information alliance partners
- Launch an online version of *Build Your Wealth*, based on the www.REITCafe.com or www.REIT.org sites, that will educate investors and advisors on the four quadrants of property investment opportunities
- Conduct property investment road shows in conjunction with ASIC, ASFA, ASX, FPA and IFSA
- Promote the Property Council's corporate responsibility reporting guidelines and the industry's positive news stories

Action Five – Advocate for fair taxes and rational regulation

- Ramp-up the Property Council's core reform agenda – lower taxes, less red tape and increased nation-building investment
- Commission a credible econometric model that calculates the contribution of the property industry to the community and assesses the impact of legislative proposals
- Negotiate legislation to modernise Australia's managed investments regime
- Improve the international tax competitiveness of investment management regimes
- Develop a model easy-to-use PDS, endorsed by ASIC and recognised internationally
- Reform international accounting standards relevant to the property industry
- Promote tax incentives for green buildings

Action Six – Invest in professional development

- Facilitate the establishment of at least one international standard graduate school in property investment finance
- Work with professional societies to establish dedicated 'homes' for property-related capital markets professionals
- Revise our *Property FAQs* vocational guidance primer for students
- Update the Property Councils suite of professional development programs

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Contacts

For further information, please contact the following Property Council staff:

- Peter Verwer,
Chief Executive, Property Council of Australia
0407 463 842, 02 9033 1926
- Roberto Fitzgerald,
Executive Director, International and Capital Markets
0411 549 248, 02 9033 1929