Australian Investment Strategy

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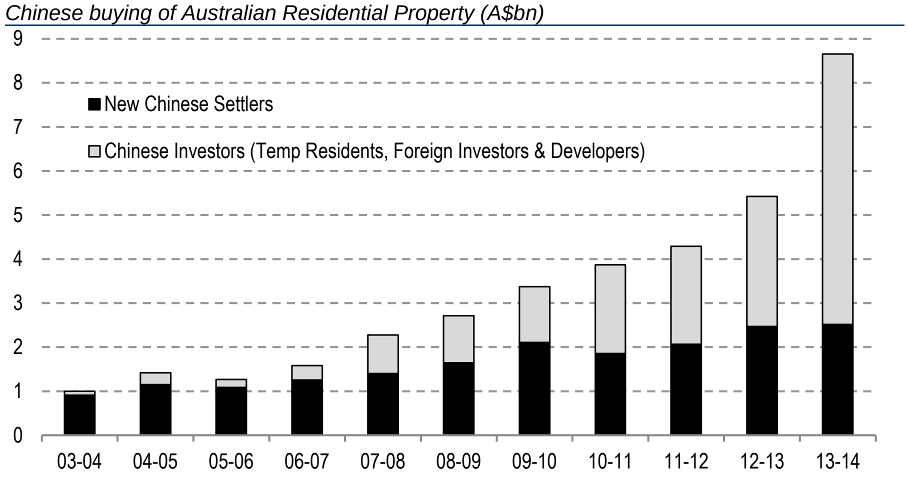
ECONOMICS AND STRATEGY

Australia: China's extended property boom

- **Accelerating demand:** Investors based in China, and new immigrants from China, purchased $8.7bn of Australian residential property in 2013-14, up 60% over the year. This is equivalent to 15% of national housing supply (12% previously). Purchases are concentrated in Sydney and Melbourne where Chinese demand is the equivalent of 23% and 20% of new supply, respectively. We expect $60bn of additional Chinese demand for Aussie housing over the next six years to 2020. This will be more than double the $28bn over the past six years.
- **New foreign investment rules:** While new foreign investment proposals may make Australian real estate less attractive for Chinese buyers, we believe the potential erosion of demand will be marginal. After all, Australia is on the doorstep of the greatest wealth creation in three centuries. Despite moderating growth, we expect more Chinese wealth to be invested abroad.
- **Chinese buyers and Aussie stocks:** The combination of stronger Chinese demand for Aussie housing and low interest rates should continue to be positive for housing-related stocks like the developers, building material companies and property websites. We add Boral to our Long Portfolio.

Figure 1: **The Chinese property boom Down-under accelerates**
Chinese buying of Australian Residential Property (A$bn)



Source: Foreign Investment Review Board, Australian Department of Immigration, Australian Bureau of Statistics, Credit Suisse

Australia — China's extended property boom

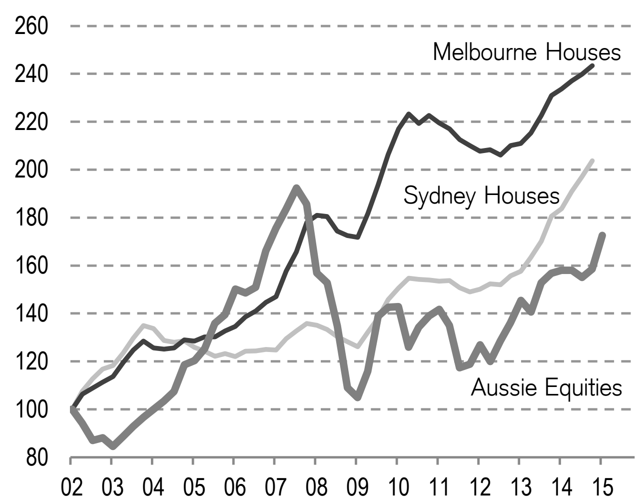
Australia is on the door-step of the greatest wealth creation in three centuries. Despite the current economic slowdown and transition in China, the economy continues to grow and create wealth at a solid rate. Some of this wealth has found a home off-shore in Australian real estate. We calculate Chinese buyers—either investors based in China or new immigrants from China—bought $8.7bn of Australian residential property in the 2013-14 financial year. This is up 60% over the year and is equivalent to 15% of new national housing supply. The acceleration in Chinese demand for Australian housing is [considerably larger than our forecast from a year ago.]

We expect wealth creation in China will continue at a solid rate and forecast Chinese buyers will pour in $60bn into Aussie housing over the next six years to 2020. This compares to $28bn over the past six years. While new foreign investment proposals may make Australian real estate less attractive for the Chinese buyer, we believe the potential erosion of demand will be marginal. More importantly, the proposals should refocus foreign investment demand into new housing and away from established. This is positive for the Australian economy, in our view. The combination of strong Chinese demand and low mortgage rates will continue to support housing related stocks like the developers, building material companies and property websites. We include Boral in our Long Portfolio.

Chinese demand continues to grow

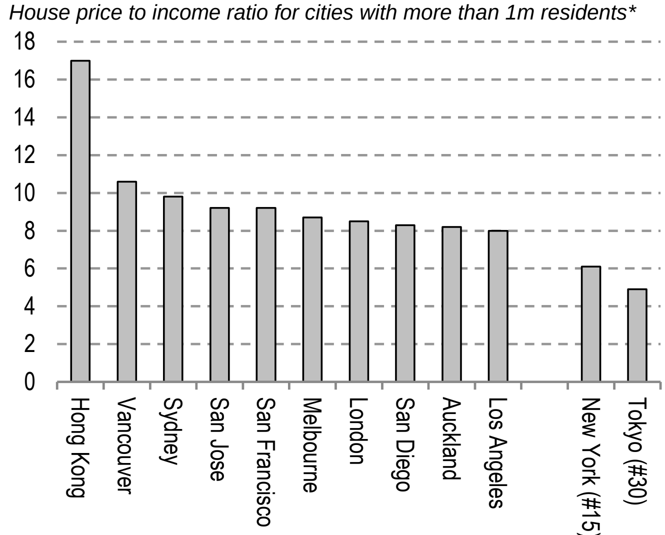
House price inflation in Australia has remained solid despite anaemic income growth. Sydney house prices have increased by 13% in 2014. In Melbourne, they were up 5%. Both have outperformed other Aussie assets like equities over the past decade or so (Figure 2). Sydney and Melbourne now rank amongst the most expensive cities in the developed world on house-price-to-income ratios (Figure 3). Both Australian cities now rate higher on this valuation measure than traditionally unaffordable cities of London, New York and Tokyo.

Figure 2: House prices outperform equities
Sydney/Melbourne House Price Index Rebased vs ASX 200



Source: ABS, Datastream

Figure 3: Living in Australia is not cheap for Aussies
*House price to income ratio for cities with more than 1m residents**



** Survey of 86 developed market cities from nine countries with populations of more than 1m. Countries include (Australia, Canada, Hong Kong, Ireland, Japan, New Zealand, Singapore, UK, US).*
^ Tokyo includes Yokohama. Source: Demographia

There are a number of drivers of house price inflation in both Sydney and Melbourne. Low and falling mortgage rates are perhaps the most important now. The last time mortgage rates were at current levels was in the 1960s. Meanwhile, investor demand has been strong and supported by favourable tax policy. Investor financing now makes up a third of all housing credit. Also, housing supply remains tight despite Australia's abundant land mass. The number of new home approvals has remained within a constant range for most of the past 30 years even though population growth has accelerated. A further and relatively recent consideration is demand from Chinese buyers. As we highlight below, there has been a considerable increase in Chinese demand and it is significant when compared to new supply.

The paths to the quarter-acre dream

We can break up official Chinese demand for Australian property into four different sources. They include:

1. A Chinese citizen who resides out of Australia, or is a temporary resident in Australia, buys a new dwelling or one off-the-plan. The dwelling can be used to live in (if a temporary resident) or for investment purposes (foreign resident or temporary Australian resident). The buyer will need approval from the Foreign Investment Review Board (FIRB). There is no limit on the number of purchases the Chinese buyer can make.

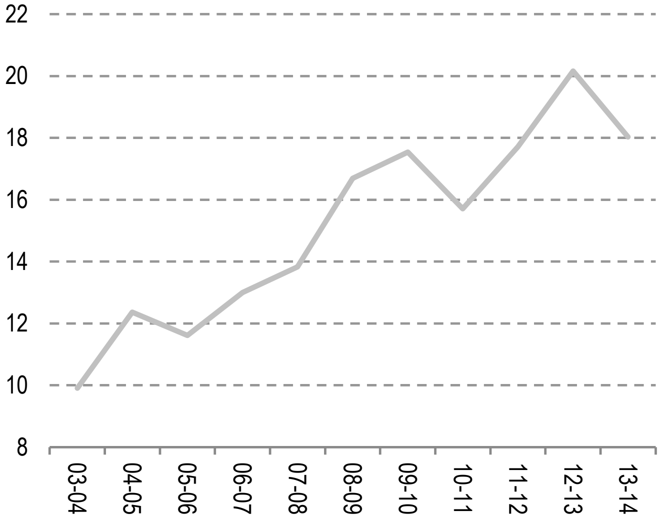
2. A Chinese resident who resides in Australia on a temporary basis buys an established house to live in. Current rules allow for one purchase per temporary resident, after FIRB approval, and the property must be sold when the resident leaves Australia.

   Property acquisitions by Significant Investor Visa (SIV) holders are included here. The SIV was introduced in 2012 and allows high-net-worth individuals, and their families, to temporarily reside in Australia as long as they commit $5mn to approved Australian assets. Holders of a SIV can become permanent residents after four years at which time they will not need to sell their property and can buy more without FIRB approval. In 2012-13, there were 65 SIVs granted, 282 in 2013-14 and 404 in the year of 2014-15 to the end of March, including 100 in March alone. The Australian Department of Immigration (ADI) notes that more than 90% of SIVs have been granted to residents of China or Hong Kong.

3. A Chinese citizen who resides outside of Australia or is a temporary resident, buys residential property for re-development. FIRB approvals will usually be granted as long as the buyer doubles the housing stock on the property.

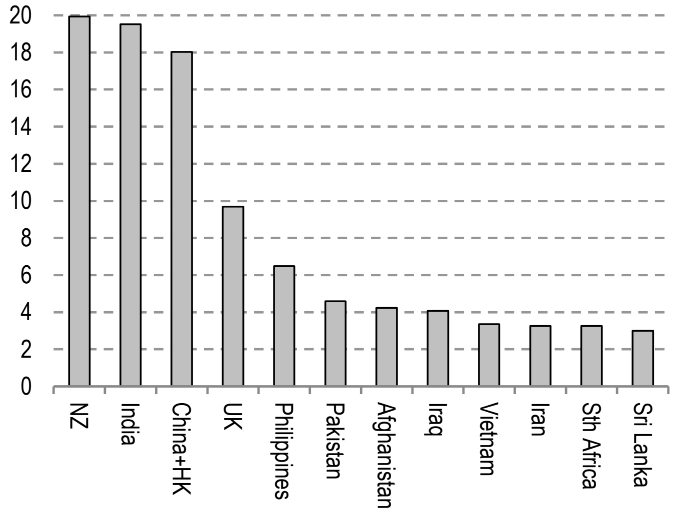
4. A recent Chinese settler in Australia can buy property for investment or residential purposes. While technically not a Chinese Buyer, we assume this purchaser is bringing wealth created in China to at least put a deposit on a house. In 2013-14, there were 18,000 permanent settlers in Australia from China or Hong Kong, down 11% over the year (Figure 4). The reduction in permanent settlers seems to be related to weakness in the mining sector as the biggest declines in Settler numbers have been in Queensland and Western Australia. Even after the reduction, immigrants from China and Hong Kong remain one of the biggest groups of permanent settlers in Australia (Figure 5). ADI data shows that almost 80% of the new permanent residents settled in either NSW or Victoria. Most of this was in and around the capital cities of Sydney and Melbourne.

Figure 4: **Chinese settler growth has been 6% p.a.**
Chinese + HK Permanent Settlers Through Time ('000)



Source: Australian Department of Immigration

Figure 5: **Chinese are currently top three settlers**
Australian Permanent Settlers 2013-14 ('000)



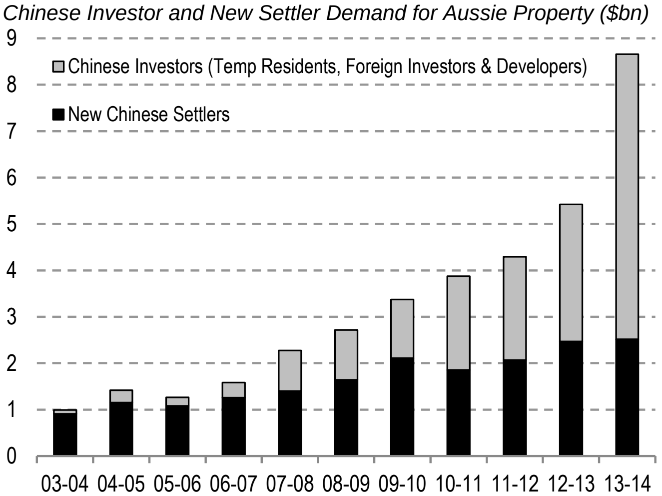
Source: Australian Department of Immigration

Of course there are flows that do not go through the official channels and we do not count in our analysis. This is one of the reasons why we think our estimates are conservative. The recent Inquiry into Foreign Investment in Australian Residential property the Australian Bureau of Statistics highlighted that government estimates of foreign demand are "very conservative" and "the flows into Australian housing are likely to be higher than the governments poorly informed estimates suggest". Still, while we may bemoan the poor quality data in Australia, we believe it is the best in the world. For example, in New Zealand, where Chinese demand for housing is also reputed to be strong, there isn't a body even attempting to record these flows.

Chinese demand accelerates

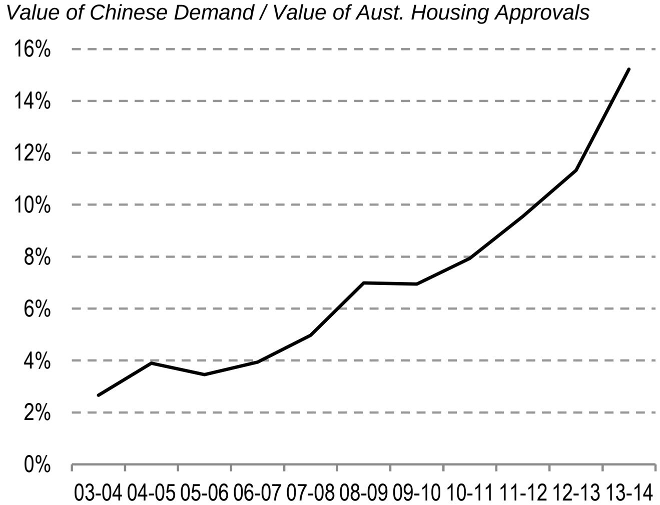
In the Appendix, we detail our assumptions in calculating Chinese demand and in Figure 6 we highlight our findings. We estimate Chinese buyers committed $8.7bn to Australian residential housing in 2013-14. This compares to $5.4bn in 2012-13. The main driver of the 60% growth has been Investor flows where we include buying by temporary residents, foreign investors and developers. The current value of total purchases is equivalent to 15% of the value Australian building approvals (12% last year).

Figure 6: **Chinese Demand for Aussie Property Rises 60%**
Chinese Investor and New Settler Demand for Aussie Property ($bn)



Source: FIRB, ADI, ABS, Credit Suisse estimates

Figure 7: **Chinese now buying more vs new supply**
Value of Chinese Demand / Value of Aust. Housing Approvals



Source: FIRB, ADI, ABS, Credit Suisse estimates

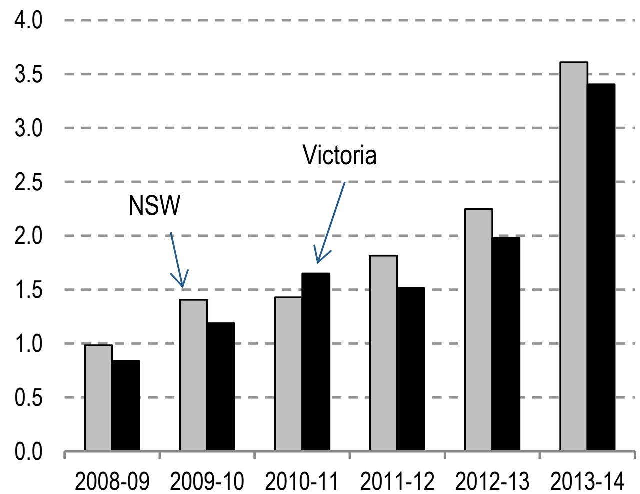
We believe a contributing factor to the sharp rise in Chinese buying has been the weakening Aussie dollar. Over the year, the Australian dollar depreciated by an average of 12% against the Chinese Renminbi. This was the biggest depreciation for some time. A weaker exchange rate will no doubt make a Sydney apartment a more attractive investment when compared to the equivalent in Vancouver or San Francisco. We will experience similar FX depreciation during the current financial year, if exchange rates remain flat from here.

We also think Chinese demand for Australian property has accelerated because of the considerable fees introduced in Hong Kong and Singapore—cities also reputed to be popular destinations for Chinese capital. In October 2012, the Hong Kong government introduced a "Buyers Stamp Duty" to be paid by all non-HK permanent residents. The duty is an astonishing 15%. Meanwhile, in January 2013, the Singapore government introduced foreign investor fee of 15% as well. We suspect the introduction of the large fees has diverted flows into other cities like Sydney and Melbourne. We compare government fees for a number of cities below.

Focus on Sydney and Melbourne

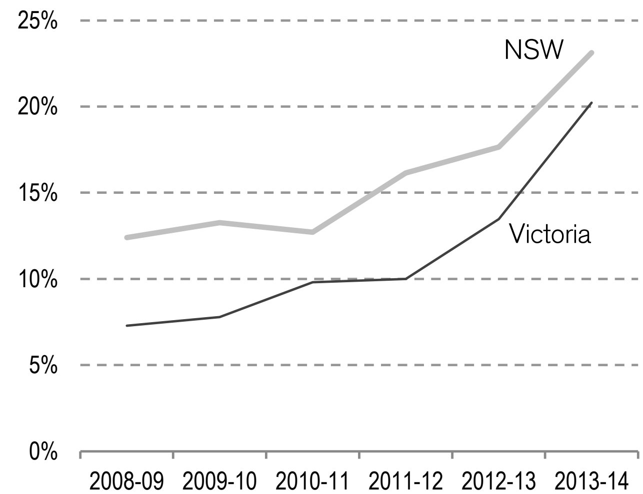
We have enough data to provide an estimate of how Chinese Buyer demand breaks down by Australian state. We find that NSW and Victoria received $7bn or 80% of the total Chinese demand going into Aussie housing. We think most of this demand is concentrated in and around the capital cities of Sydney and Melbourne. While the flows into the two states is roughly the same, at $3.5bn (Figure 8), we find Victoria seems to receive more of the investor flows and NSW benefits from more Settler flows.

Figure 8: Same level of Chinese demand for NSW & Vic
Chinese residential property demand for NSW and Victoria ($bn)



Source: FIRB, ADI, ABS, Credit Suisse estimates

Figure 9: Chinese buying equal to 20-23% of new supply
Value of Chinese Demand / Value of Housing Approvals (NSW & Vic)



Source: FIRB, ADI, ABS, Credit Suisse estimates

We think Chinese demand is having an influence on house prices in both cities. Current demand for Sydney is now the equivalent of 23% of new supply. It was 18% last year. In Melbourne, Chinese demand is running at 20% of new supply (14%). If Chinese buyers are on the verge of snapping-up the equivalent of a quarter of new supply, we can see why house prices in both cities have outpaced income growth. As we discuss below, the relative influence of Chinese demand on Sydney and Melbourne house prices could be changing with the Victorian government's surprise increase in stamp-duty and land-tax on foreign purchasers. Some Victorian demand will undoubtedly get diverted to other states going forward. We wouldn't be surprised if the introduction of a tax in Victoria means even higher house prices in Sydney.

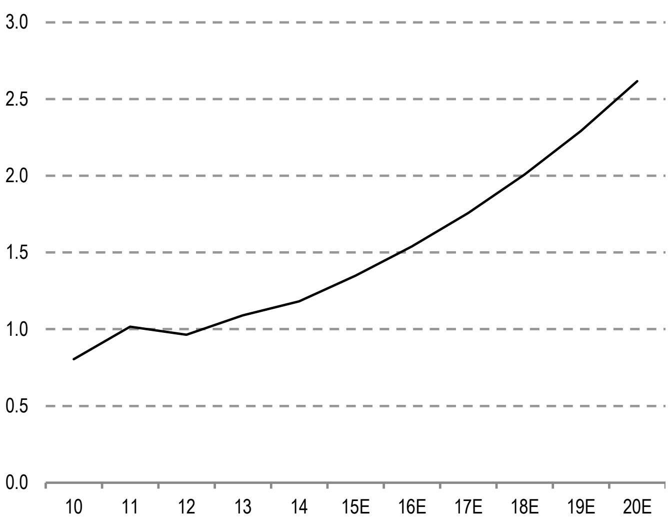
More Chinese demand to come

Based on the current foreign investment framework, which we discuss below, we believe official Chinese demand for Aussie property will grow further. As we highlight in Figure 6, demand for Aussie property comes in two major sources and we can make an assumption for each to forecast total flows to 2020. First, we assume the number of new settlers from China and HK will grow at 2% p.a. This is just a third of the growth rate over the past 10 years. Second, we assume the "investment" flows from Chinese buyers will grow at a rate of 5% p.a. There are currently 1.2mn US dollar millionaires in China. We believe these individuals can easily afford to buy an apartment in either Sydney or Melbourne. The Credit Suisse Research Institute forecasts the growth rate of Chinese millionaires over the medium term will be around 14% p.a. So the number of USD millionaires will likely rise to 2.6mn by 2020 or more than the current population of Brisbane. Both of our explicit assumptions are purposely conservative.

Our assumptions suggest Chinese buyers will pour in a further $60bn into Australian residential property over the next six years to 2020. We calculate they purchased $28bn over the past six years. Our forecasts are considerably larger than those from a year ago. This is mostly because we are starting from a much higher base than we expected back then. Chinese investor demand over the last financial year has surpassed even our own forecasts.

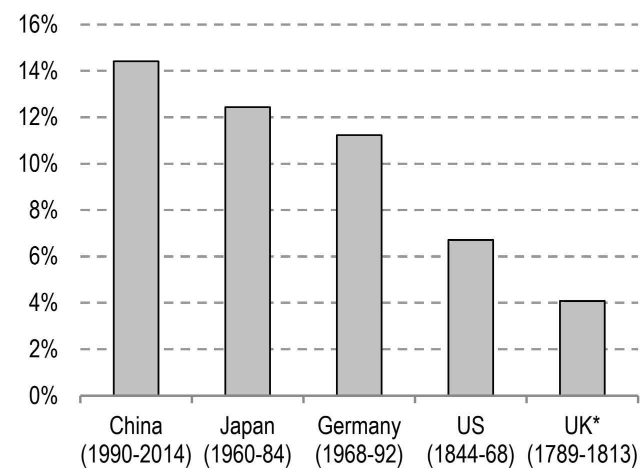
We need to understand that there are major structural forces supporting further Chinese demand for Aussie property. Australia is on the doorstep of the greatest wealth creation in history. There has been no other episode in the last three centuries where economic growth has been as sharp, and vast, as China has just experienced (Figure 11). This growth has created enormous amounts of wealth. And just like previous episodes of great wealth creation, money is seeping out of the country and being invested in assets around the world. Wealth creation in China is, by far, the most important determinant of continued demand for Australian residential property. Only when this growth stalls can we expect a material slowdown in Chinese demand for Aussie housing. Until then, we expect demand will remain strong.

Figure 10: Solid rate of Chinese millionaire growth
Number of Chinese Adults (m) with Net Worth Above $1m USD



Source: Credit Suisse World Wealth Report

Figure 11: The greatest wealth creation in history
Fastest 25 year period of Nominal GDP Growth in USD around industrialisation. (Compound annual growth rate, %)

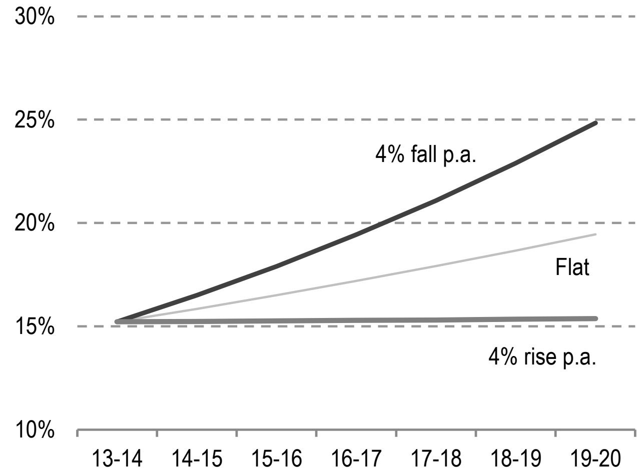


** UK growth measure real GDP in local currency, not nominal GDP growth in USD. Source: Bank of England, Bloomberg, Carter et al "Historical Statistics of the United States", Credit Suisse*

While we are forecasting big demand from Chinese buyers over the next six years, the impact on Australian house prices will largely depend on the level of supply. Without a structural increase in supply to match the structural increase in Chinese demand, there will unfortunately be strong property price inflation for many years to come. In Figure 12, we estimate the amount of new housing supply growth required to neutralise expected Chinese demand by 2020. We believe the value of housing supply needs to rise by 4% p.a. to keep Chinese demand to housing supply constant at the national average of 15%. Supply kept at current levels would result in Chinese demand rising to be equivalent to 20% of national supply, from 15% now.

Figure 12: +4% p.a. supply to neutralise Chinese demand

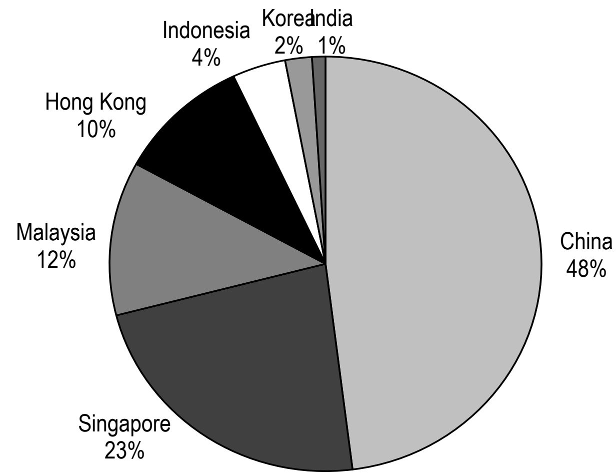
Chinese demand/new supply. CS demand forecast and three scenarios for the annual change in value of building approvals.



Source: FIRB, ADI, ABS, Credit Suisse estimates

Figure 13: Chinese developers are big in Australia

Proportion of Australian apartment pipeline by foreign developer. Total number of apartments in foreign developer pipeline=36,000.



Source: Deep End Services – "Offshore apartment developers increase Australian presence", August 2014.

The rise of foreign developers in Australia helps to support an increase in new supply. Deep End Services (property economics consultants) finds a significant rise in the pipeline of foreign developers in Australia. They forecast the number of completed apartments, by foreign developers, in 2015 will be just under 4000. This is expected to rise to 9,000 in 2017. Of the 36,000 apartments in the foreign developers pipeline, 48% are from Chinese based developers and 23% from Singapore (Figure 13). Deep End Services notes that foreign developers will look to increase their business in Australia to help diversify risk across economic and property cycles.

Rising cost of doing business in Australia

Shortly after the release of the most recent FIRB data the Australian Federal government announced new foreign investor rules in residential real-estate. Independently, the Victorian State Government announced additional charges particular to its state. We discuss each in turn.

New National Rules

The new national foreign investor rules follows a House of Representatives Inquiry, chaired by Kelly O'Dwyer (Parliamentary Secretary to the Treasurer), into foreign investment into Aussie housing. We believe the two most important reforms are: (1) increased monitoring and policing of foreign investment into Australian property to limit the incidence of the non-compliance; and (2) an application fee to be paid by foreign investors buying property in Australia, to fund the additional monitoring.

Kelly O'Dwyer has noted that the government remains happy with the current foreign investment framework but is unhappy that the previous rules were not being rigorously enforced. We believe better enforcement of the current rules, as the government has announced, will be positive for Australia. The proposals should: (1) limit foreign demand for established housing and also limit house price inflation in this area; and (2) encourage a switch of flows into new housing which would help support Australian economic activity through the current transition away from mining investment led growth.

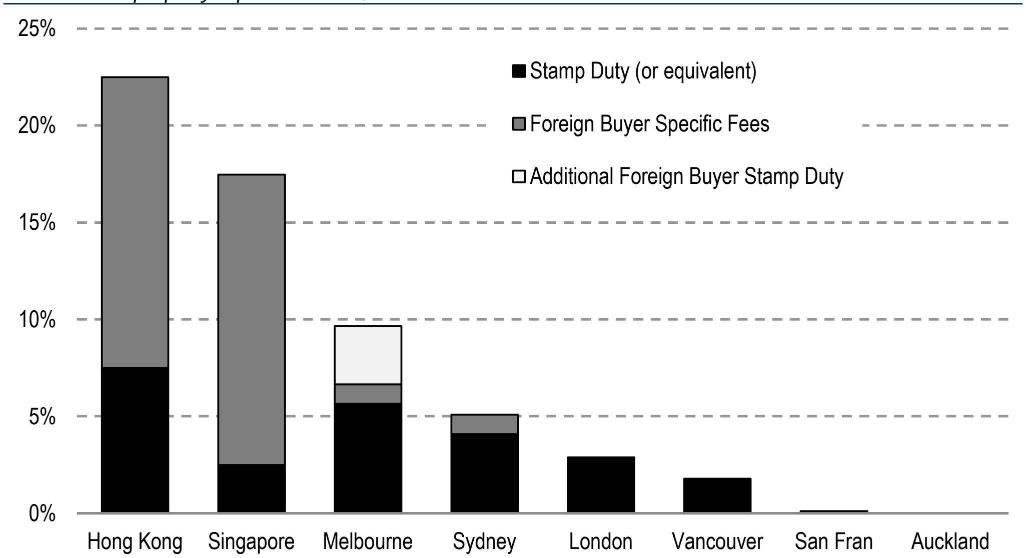
A potential headwind for housing demand is the national foreign investor application fee. Many suggest this may result in a large and dangerous drop-off in foreign demand for Australian housing. We disagree. The fee proposals are for roughly 1% of the cost of the property. Foreign buyers of Australian property currently pay a stamp duty which is equal to 4% for a 1 million dollar property in Sydney and 5.5% in Melbourne (but this is set to rise). So the additional application fee, by itself, would mean a small increase in cost, and should result in only a small decrease in demand.

Additional Stamp Duty in Victoria

While the details are still unclear, the Victorian State government announced an additional 3 percentage point increase in stamp duty for foreign property buyers. The same investors will have to contend with a higher land tax as well. The additional stamp duty will be on top of the national foreign buyers' fee we discuss above. Unlike the new national fee for foreign purchasers, the Victorian fee could be more material in driving demand away from the Garden State.

In Figure 14, we compare government fees a Chinese investor would have to pay to buy a A$1m property around the world. Our discussions with juwai.com, the largest portal advertising international property to Chinese buyers, highlights that among the most popular cities for Chinese investors, in addition to Sydney and Melbourne, are Auckland, Hong Kong, London, San Francisco, Singapore and Vancouver. We include these cities in our comparison. The proposed new national fee does not significantly change the cost of doing business in Australia relative to other cities around the world. The cost of buying a property in Sydney rises from just over 4% (the state stamp duty) to just over 5%. However, the more material potential increase in the cost of doing business in Victoria propels Melbourne to be a clear third on our list of government associated fees for a Chinese buyer.

Figure 14: Small increase in government fees for Sydney, bigger Melbourne
Government associated fees for foreign buyers in cities reputed to be popular for Chinese investors. Purchases of property equivalent to A$1 million.



Source: NSW & Victoria State Revenue Offices, Australian Treasury, Land Information NZ, HK Inland Revenue Department, Singapore Inland Revenue Department, California State Board of Equalization, British Columbia Government.

We imagine the potential increase in fees to buy a Melbourne property would drive the marginal buyer to other Australian cities like Sydney where charges are lower. A tax in Victoria could make Sydney house prices even more expensive. Perhaps the Chinese buyer will consider Auckland more closely given zero government charges. Either way we believe a new stamp duty for foreign buyers could be big enough to drive some demand away from Victoria but we expect much of this to remain in Australia. Of course, the bigger risk is if other states follow Victoria and increase the cost of doing business significantly further.

Chinese property buyers and Aussie stocks

We forecast Chinese demand for Australian housing will continue to grow at a solid rate. The new foreign investment proposals should mean a greater share of the flows will be heading into new-builds rather than existing. So an investor looking to benefit from this longer-term trend should be focussing on those Aussie companies with more significant exposure to new homes. However, both parts of the housing market should benefit especially as we forecast further rate cuts by the RBA.

With the help of our Australian Research team, we highlight stocks which should continue to gain from the theme of Chinese buying Australian property (Figure 15). We compare Australian residential exposure for NSW versus Victoria and new versus existing build. The obvious beneficiaries are the Australian developers with large residential exposure. Since we wrote our first report, one of these developers has since been acquired by a Singapore listed developer. We don't discount the possibility of more M&A amongst these stocks.

Another group of stocks that should benefit are the building material companies. New build exposure for these stocks varies from mid-teens to almost 50%. We also include the property websites in Figure 15. While only a small portion of their revenues come from new builds they still have double-digit exposure to residential property.

Figure 15: More Chinese buying and low rates are positive for developers, building materials and property websites
Revenue exposure to Aussie residential housing (operating profit exposure for developers)

	MCap ($bn)	New Resi Exposure (%)			Existing Resi Exposure (%)			Total Resi (%)	
		Vic	NSW	AUS	Vic	NSW	AUS	AUS	Comment
Developers									
Stockland	10.8	5	3	20	0	0	0	20	Operating Profit attributable to Resi Development
Lend Lease	9.7	3	2	11	0	0	1	12	Residential Settlements increased by 36%
Mirvac Group	7.6	2	17	26	0	0	0	26	Operating Profit attributable to Resi Development
Building Materials									
Boral	4.9	5	10	23	1	1	2	25	Doing a buy-back, looking to expand in the US
Adelaide Brighton	3.0	6	5	25	1	1	3	28	54% of revenue from Cement Products.
CSR	1.9	12	14	41	4	4	12	53	Leader in Roofing, Insulation, Glass Aluminium
Dulux	2.5	3	4	13	10	14	44	57	Market leader in Paint
GWA Group*	0.8	10	8	33	15	12	47	80	49% revs from Bath/Kitch, 23% from Door & Access Systems
BlueScope Steel	2.1	5	4	16	5	4	16	31	Despatches 3-4t of steel per dwelling, more for detached dwellings
Property Websites									
REA Group	6.4	1	1	5	12	11	54	59	Has listings on China's myfun.com and Hong Kong's squarefoot.hk
Fairfax Media	2.6			1	2	2	11	12	Value of Domain makes up two-thirds% of company

** CSEC covered. Source: Company data, Credit Suisse estimates, CSEC estimates*

Further Chinese demand and lower interest rates should be positive for those companies exposed to the housing market. Today, we include Boral in our Long Portfolio. The company trades on a FCF yield of 5.2% for 2016 and provides an attractive dividend yield for income seeking investors. Andrew Peros notes the current 5% buy-back is well supported by cash-flows, a strong balance sheet and the prospect of further asset sales. In addition, we highlighted Boral as a potential accretive acquirer recently.

Our addition of Boral comes at the expense of M2 Group *(CSEC covered)*. The stock was included in our Long Portfolio in September of last year. Since then, it has returned 46%, while the ASX 200 Accumulation index has increased by 11%. M2 Group remains a quality company that is growing. However, we rather sit-out the bidding process for iiNet.

Strategy outlook

We estimate Chinese buyers poured in $8.7bn into Aussie housing in 2013-14. This is up 60% on the previous year and equivalent to 15% of new supply. The increase in Chinese demand is more than we forecast a year ago. Chinese buyers are still concentrating purchases in Sydney and Melbourne, where we believe they have been important drivers of house prices.

New national foreign investment rules highlights that Australia remains open for business. The new rules will re-direct demand into new build, away from existing, and take the edge off house price inflation. While, there could be a more meaningful impact on demand for Chinese demand for Victorian housing, given the new additional charges imposed on foreigners buying property in the Garden State, we forecast national demand to remain solid. After all, Australia is on the door-step of the greatest wealth creation in history. We expect more wealth to leave China in search of assets around the world. We estimate Chinese buyers will accumulate an additional $60bn of Australian property during the six years to 2020. They purchased $28bn over the past six years.

The combination of continued Chinese demand and low interest rates promises to be positive for house related stocks like the developers, building materials and property websites. We add Boral to our Long Portfolio at the expense of M2 Group.

Appendix – Assumptions

To estimate Chinese demand for Australian residential real-estate we follow the same process we outlined last year. As we highlight in our report, there are four forms of Chinese investment into Australian residential property. For three of these, we employ data from the Foreign Investment Review Board (FIRB). In its annual report, which comes out 8–10 months after financial year-end, the FIRB details the number and value of investment approvals for Aussie property. It does this for both residential and commercial. Within residential, it provides a further breakdown by established dwellings, new build and redevelopment.

In 2013-14, Chinese investors received approval to buy $12.4bn worth of Australian property but FIRB does not provide the residential/commercial split. We assume two-thirds is residential. We concede this is higher than the average for investors from all countries. But there are clues to suggest the residential mix is considerably higher for the Chinese buyer. For example the average value of investment approval for China is the lowest of all countries. This suggests a large number of residential purchases, not commercial property or other assets, which are transacted at much higher dollar amounts. In fact, the average value of investment approval is low for almost all Asian based investors. It seems that the biggest residential investors are our neighbours.

We assume the Chinese investor only takes up two-thirds of the value of their approval. We believe this is conservative, if an investor goes through the trouble of getting approval, she is highly likely to transact. If the transaction does not take place often the investor will withdraw the proposal. This is not counted in the FIRB data.

The FIRB also provides residential investor approvals by state. As of 2013-14, about 38% of approvals were for property in NSW, 40% in Victoria and 10% in Queensland. Again the FIRB does not provide the value of state approvals by country of investor. We assume the Chinese invest in line with all other foreigners.

Amongst the $76bn of FIRB approvals to purchase real estate $21bn is unassigned to any country. These are approvals a developer would get to sell to foreign residents, to save the foreign buyer from having to get approval. Also, this unattributed $21bn includes proposals where an Australian controlled investment manager makes a joint proposal with a foreign investor. We imagine Chinese investors make up a large portion of these flows as well, but FIRB does not provide the level of detail required to credibly estimate these flows. We leave these flows out of our calculation knowing that we are underestimating official Chinese demand.

The Australian Department of Immigration (ADI) provides details of the number of new permanent residents, countries they are from and which state they settle in. This detail helps us estimate housing demand from new Chinese immigrants. We are only interested in the permanent settlers as the temporary arrivals (students, temporary workers and those on working holidays) will need to apply for FIRB approval to buy a property.

We assume two-thirds of permanent Chinese settlers buy a house in their first year of arrival and the remainder rent for the rest of their lives. We assume only one property is purchased and there are three people per household. The national average is 2.5. Furthermore, we assume that the purchase price is the median for the state they settle in. We believe this is conservative as most immigrants settle in the capital cities where property prices are higher.

Through all our analysis of Chinese buyers, we add those from Hong Kong as well. Investor demand from Hong Kong is relatively small. For example, there were 17,300 permanent settlers from the mainland in 2013-14 and only 700 from Hong Kong. Chinese investors received FIRB approval to buy $12.4bn of real estate whereas Hong Kong investors received $1.3bn.

Companies Mentioned *(Price as of 05-May-2015)*

Adelaide Brighton (ABC.AX, A$4.6)
BlueScope Steel (BSL.AX, A$3.65)
Boral (BLD.AX, A$6.22)
CSR (CSR.AX, A$3.79)
Dulux Group (DLX.AX, A$6.45)
Fairfax Media (FXJ.AX, A$1.06)
GWA GROUP Limited (GWA.AX, A$2.59) *
Lend Lease (LLC.AX, A$16.52)
M2 Group (MTU.AX, A$11.11) *
Mirvac Group (MGR.AX, A$2.03)
REA Group (REA.AX, A$48.08)
Stockland (SGP.AX, A$4.49)
iiNet (IIN.AX, A$10.0) *
** CSEC Coverage*

Disclosure Appendix

Important Global Disclosures

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