

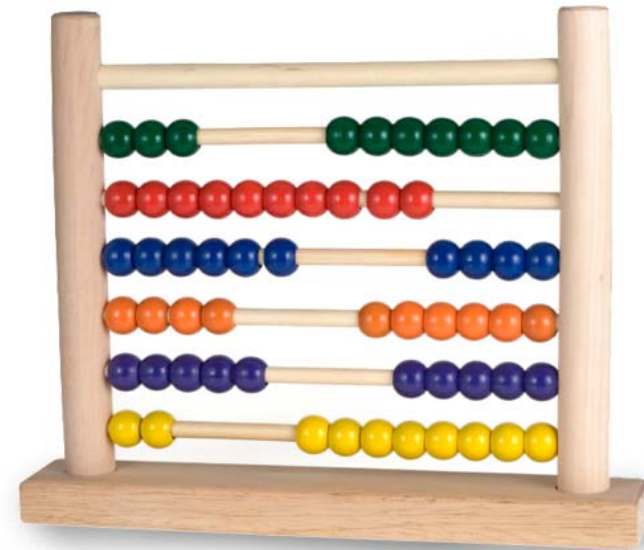


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IFA Census

REITA Results

April 2009



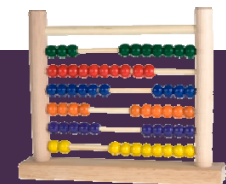


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Introduction

IFA Census provides a unique source of insights to the attitudes and behaviours of intermediaries

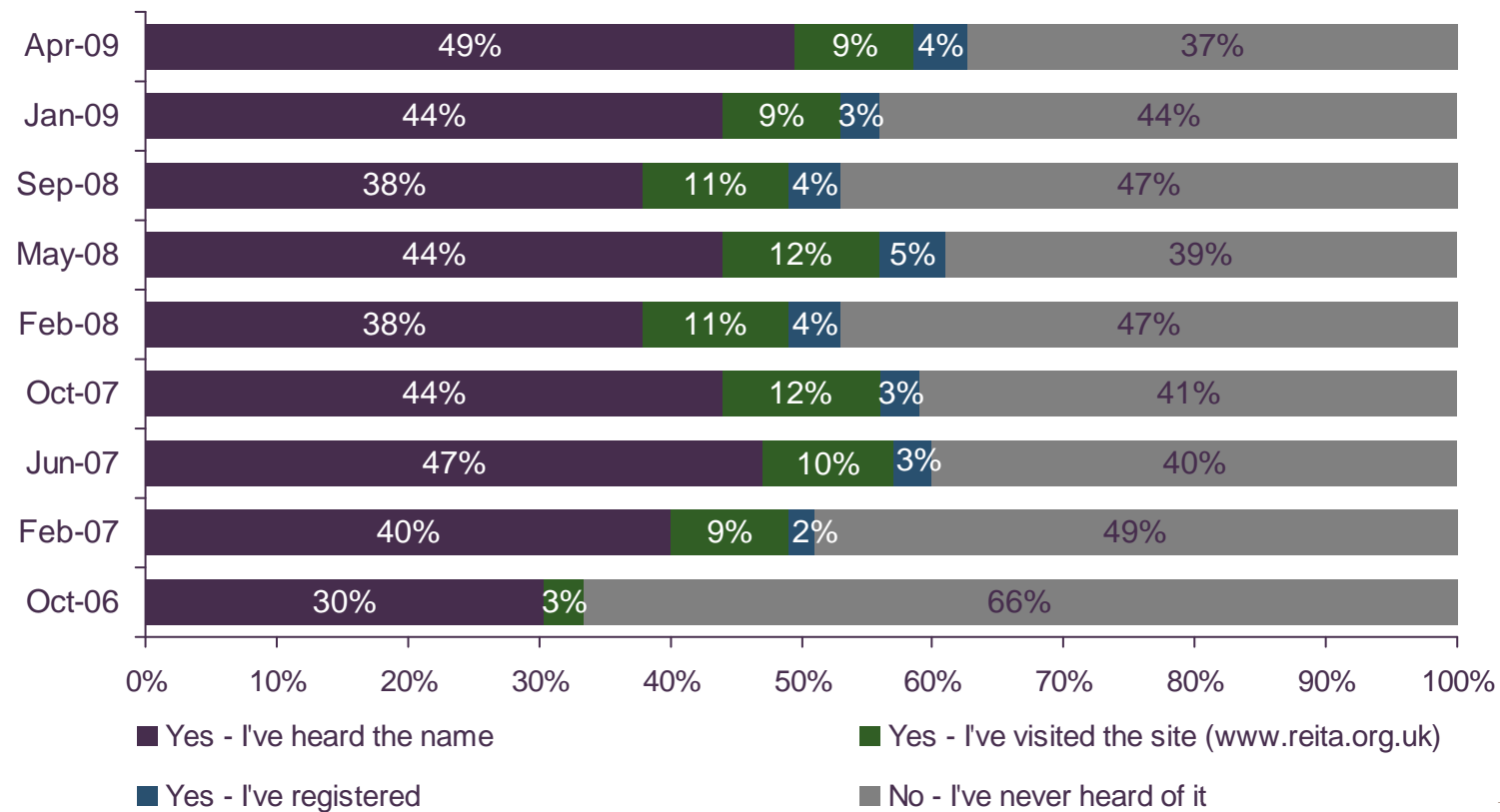
- In April 2009 REITA placed a series of questions on the survey, focusing on property investment and the UK commercial property market
- Where possible the questions have been tracked with previous data
- 257 advisers responded to the survey; these were all who conduct 25% or more of their business within savings, investments or pensions
- Fieldwork was undertaken between 7th and 22nd April 2009



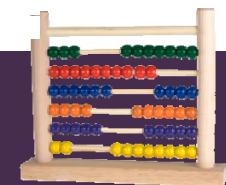


Awareness of REITA

Overall awareness of REITA is at its highest level so far, with half now saying they have heard the name; a similar proportion have registered or visited the website compared to previous waves

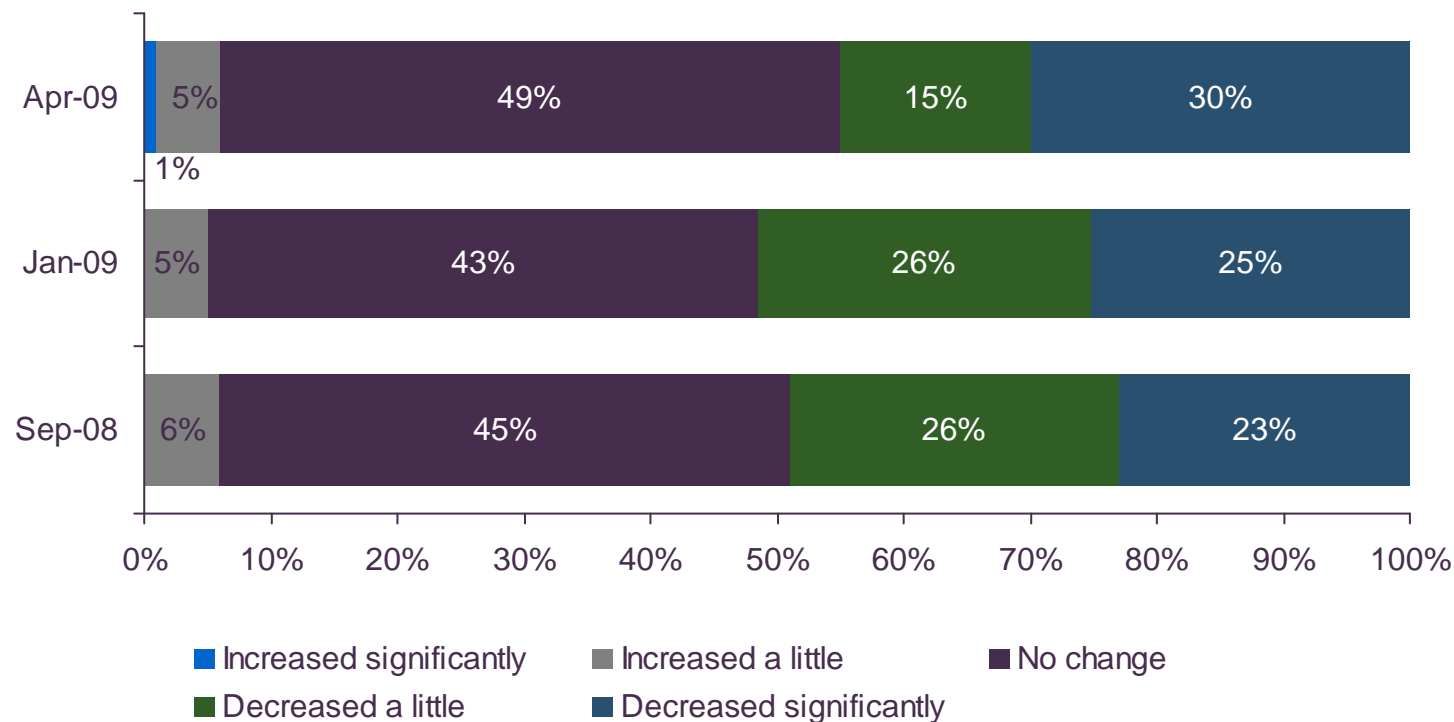


Base: All Respondents: Oct '06 (224), Feb '07 (259), June '07 (213), Oct '07 (246), Feb '08 (212), May '08 (241), Sep '08 (249), Jan '09 (263), Apr '09 (257)
Q1: Have you heard of Reita?



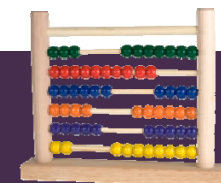
Changes in property recommendations

The reduction in property recommendation appears to be starting to slow slightly, with half reporting no change and fewer, overall, saying their level of recommendation has decreased



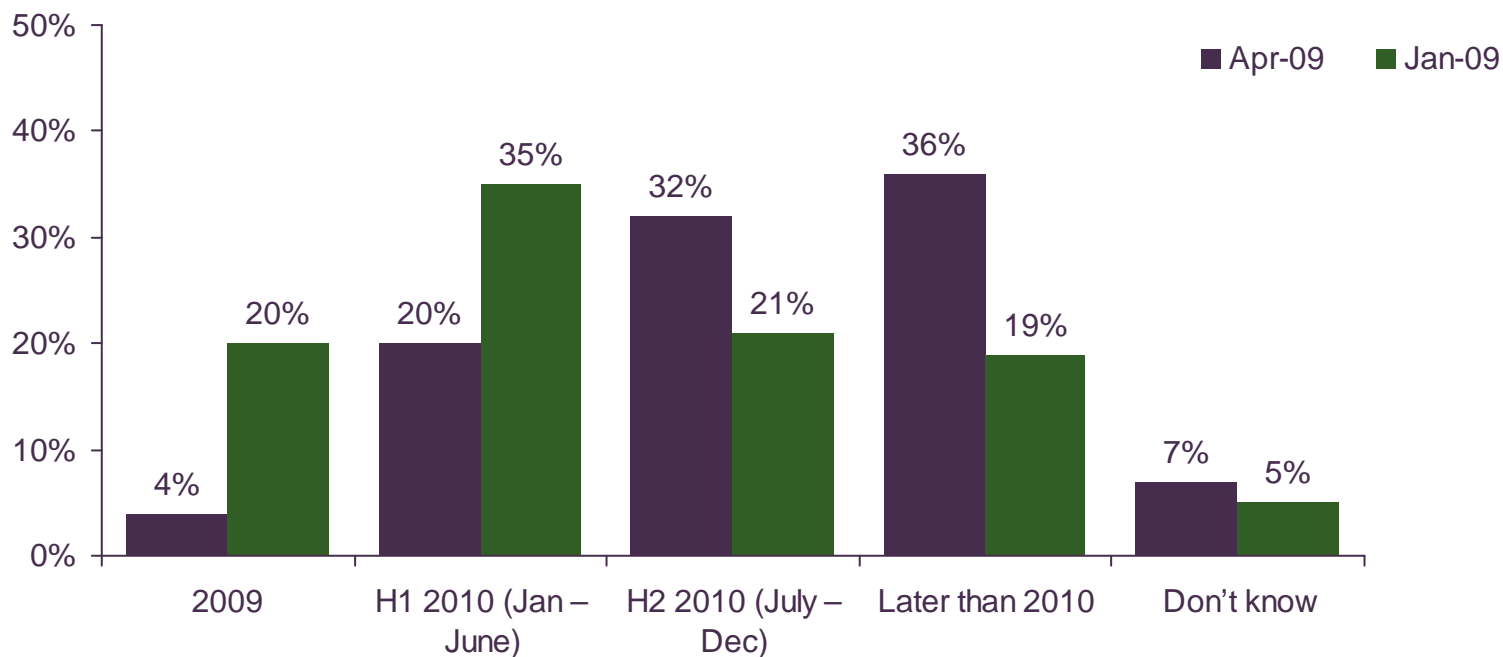
Base: All respondents Sep '08 (249), Jan 09 (263), Apr '09 (257)

Q2: How have your recommendations to invest in property (directly or via an investment vehicle) changed over the past 3 months?

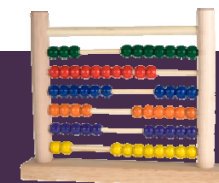


Expected recovery of UK commercial property market

Confidence in the speed of recovery of the commercial property market has slowed further, with over a third of advisers predicting it will not happen until after 2010



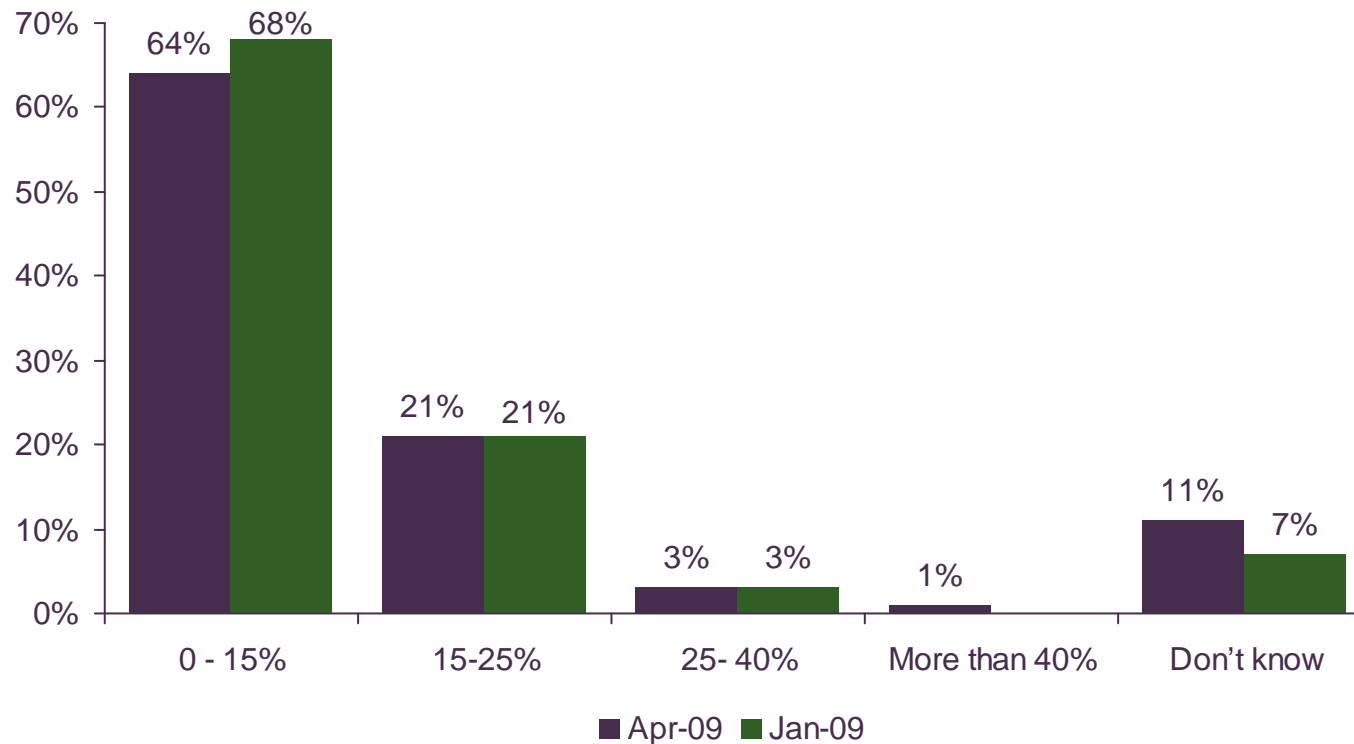
Base: All Respondents: Apr '09 (257)
Q3: When do you expect to see the UK commercial property market start to recover?





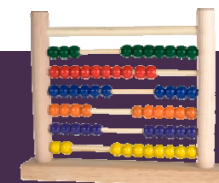
Expected fall in commercial property prices over next 12 months

As last wave, the majority expect commercial property prices to fall up to 15% further during the next year, with 1 in 5 estimating the fall of 15-25%



Base: All Respondents: Jan 09 (263), Apr '09 (257)

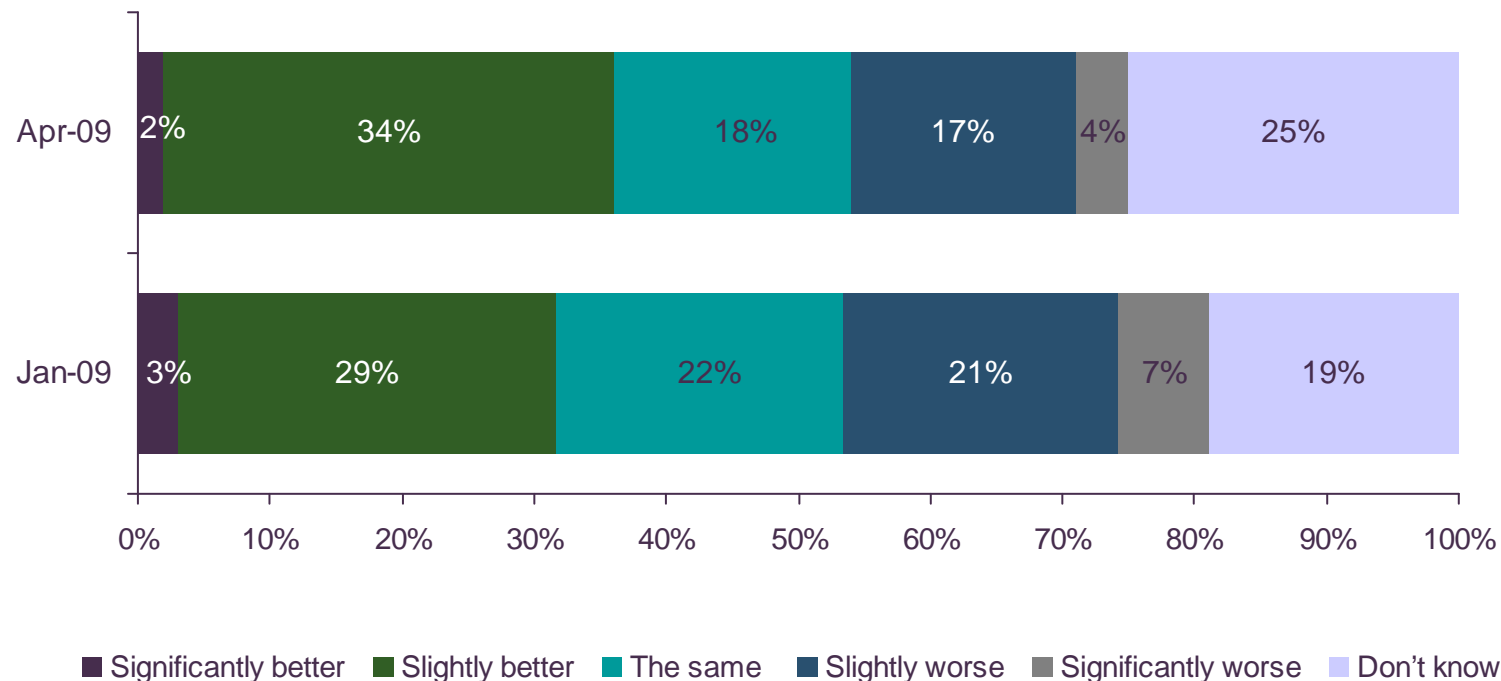
Q4: How much further do you expect commercial property prices to fall over the next 12 months (or before they hit bottom)





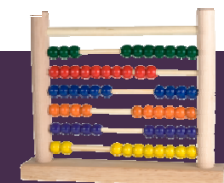
Returns for UK REITs compared to direct property

This wave slightly more IFAs expect returns for UK REITs to be better than for direct property over the next year; 1 in 4 are unable to provide an answer, which has increased since last time



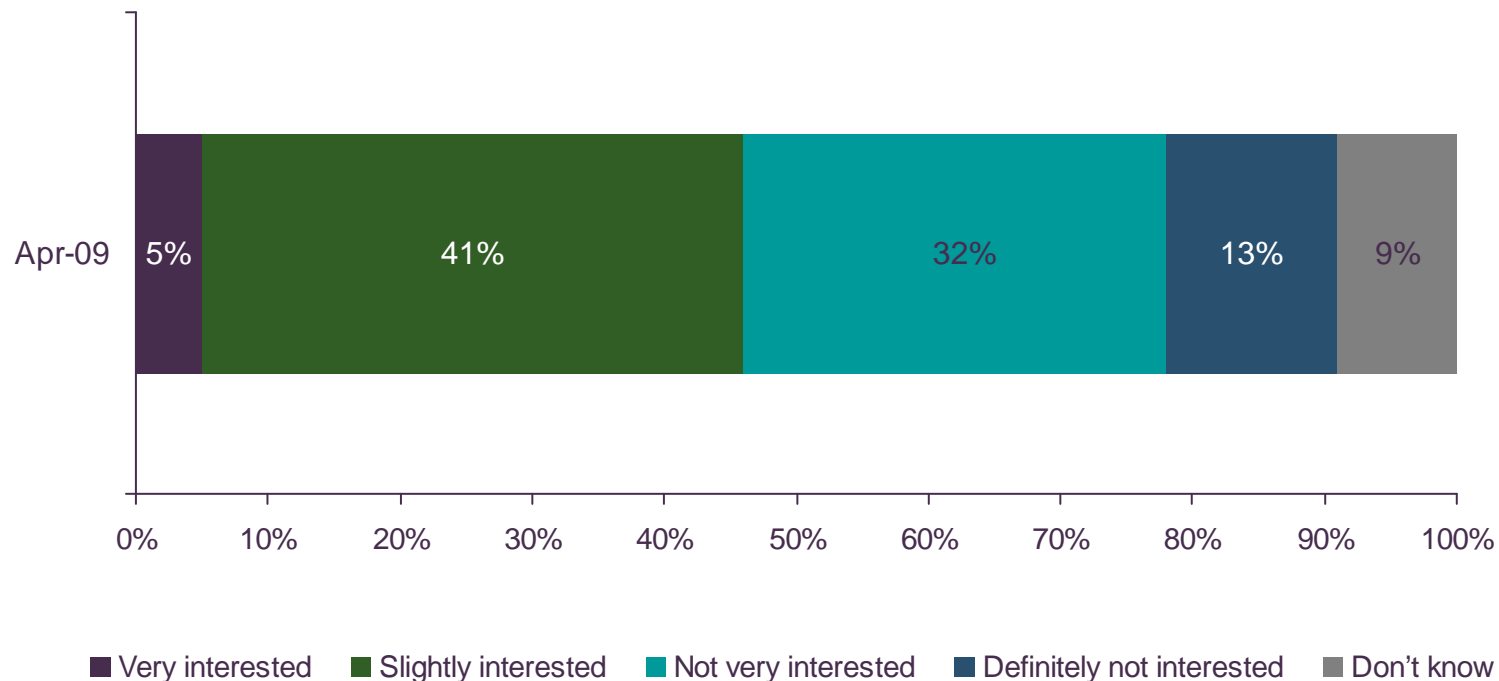
Base: All respondents Jan 09 (263), Apr '09 (257)

Q5: Do you expect total returns for UK REITs / property securities to be better or worse than direct property over the next 12 months?



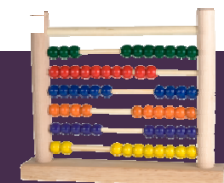
Should investors be interested in buy-to-let

Following the decline in house prices and increase in residential yields, just under half of IFAs think investors should be interested in residential property for buy-to-let purpose, although only a minority think they should be 'very interested'



Base: All respondents Apr '09 (257)

Q6: With house prices having fallen and residential yields improving, how interested should investors be in residential property as a buy-to-let opportunity?





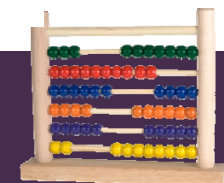
Client interest in property funds such as REITs

Similarly, less than half of IFAs say their clients would be interested in property funds / companies, such as, REITs that invested in residential property; a third believe they would be 'not very interested'



Base: All respondents Apr '09 (257)

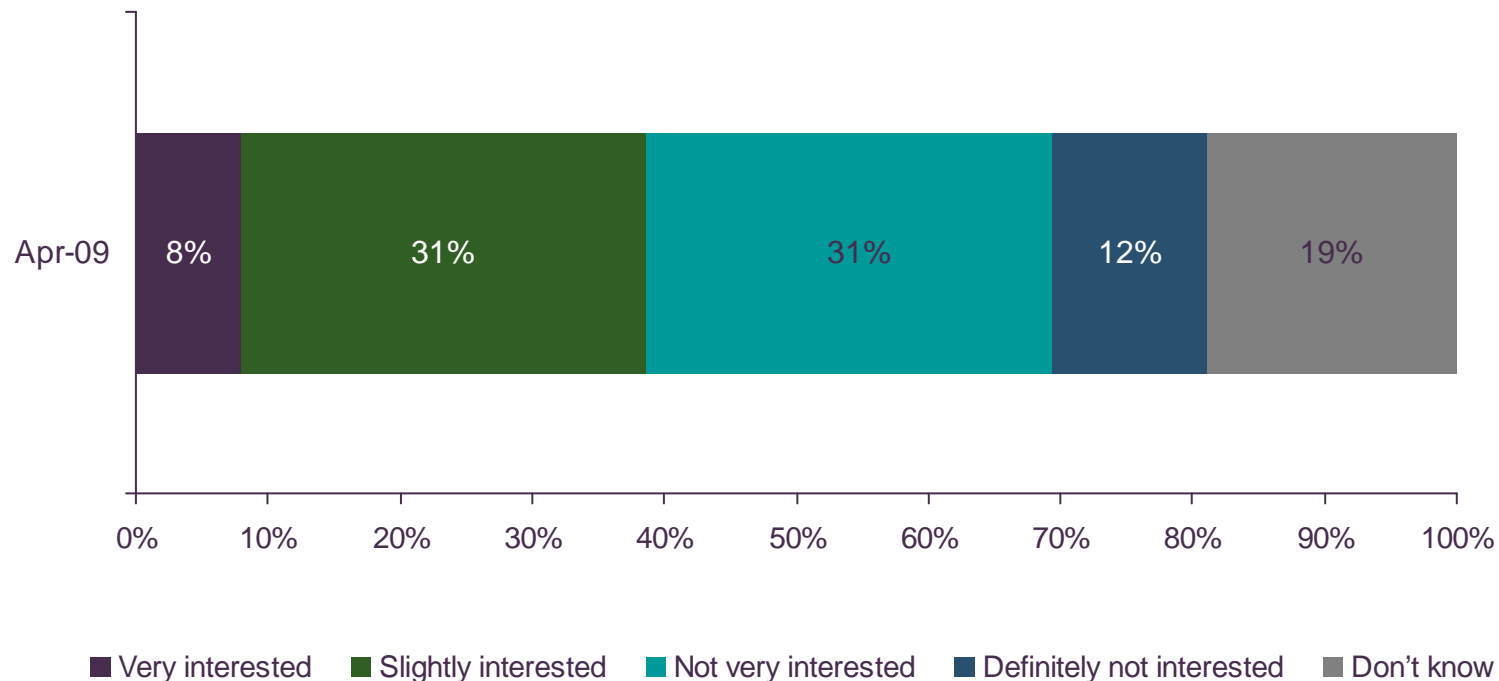
Q7: How interested do you think your clients would be in property funds or property companies, such as REITs that invested in residential property (i.e. an institutionally backed buy-to-let vehicle?)





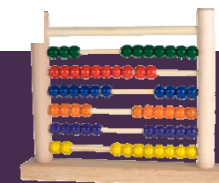
Client interest in selling property to property funds

Of the three areas, likely client interest is lowest for selling existing properties to property funds / companies in exchange for shares, even if they were able to defer payment of CGT until they sold the shares, with just over a third saying their clients would be interested



Base: All respondents Apr '09 (257)

Q8: How interested do you think your clients would be in selling their existing properties (buy-to-let or commercial) to property funds or property companies in exchange for shares in the fund or property company if they were able to defer payment of CGT until they sold the shares?





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