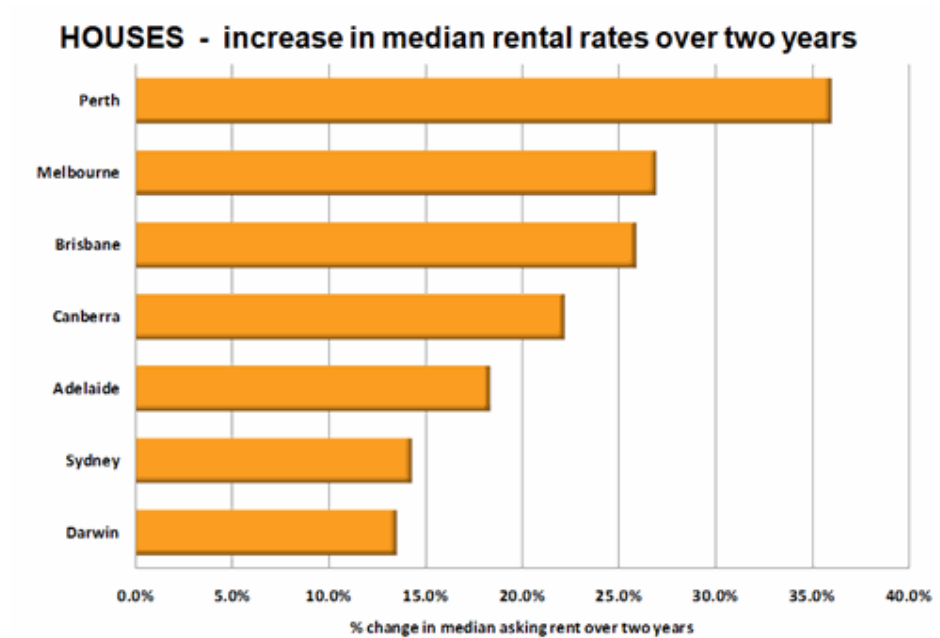


Rents Rising Strongly



The dramatic increases in rental rates are a symptom of low rental housing supply and strong rental housing demand. There have been far fewer investors in the property market since the end of 2003, which means there have been fewer rental homes being introduced into the market. At the same time, there has been higher demand for rental housing due to declining affordability levels preventing many potential buyers from entering the market.

The net effect of these two factors is that demand is outweighing supply and rental rates are being pushed up. This is great news for investors but sad news for renters.