



Local Authorities' Property Fund

Fund Manager Review

31st December 2007

Fund Manager Commentary

No acquisitions were made in the quarter but two secondary holdings were sold raising £3.65m, which exceeded the combined valuation of both properties. The level of voids in the portfolio was reduced as a result. Additional sales are currently being explored.

Progress has continued on the redevelopment and refurbishment of the Chichester high street retail holdings and the office accommodation at Fenchurch Street in the City of London. Both are scheduled for completion early in 2008 and capital expenditure to date is in line with the budget. The Chichester development is largely pre-let. The letting programme at Fenchurch Street is at an early stage.

A new lease has been granted on the ground floor accommodation at Threadneedle Street. Important rent review activity is underway and arbitration is required to determine a new rent on the Allied Carpets retail warehouse in Ashford. We await the results.



Paul A. Hannam

Fund Manager

The Local Authorities' Property Fund
Head of Property

CCLA INVESTMENT MANAGEMENT LTD
80 Cheapside, London EC2V 6DZ

Liz Carter, Local Authorities Manager. T: 0844 561 5025

www.ccla.co.uk