



Local Authorities' Property Fund

Fund Manager Review

30th April 2009

Fund Manager Commentary

The main activity of the quarter has been the disposal of a mixed retail and office property located in Conduit Street in the west end of London. The property had been subject to a successful rental review and with the income potential exhausted we elected to sell and use the proceeds to pay down borrowings.

A substantial increase in rental income has been achieved through rent reviews and letting activity. The most important contribution came from the re-development project in Chichester which, on completion, was let to River Island and Swarovski, but there were important uplifts on properties in Jermyn Street, Tewkesbury, Ashford and Sunderland.

The office accommodation in Austin Friars and Threadneedle Street is now vacant but despite this the void rate has declined to 11.2% from 13.4% at the end of the previous fund year end.

Although the rental income on the Fund has been increased substantially over the past year there is scope for more and this will be a priority in the months ahead. Further disposals are planned and the proceeds will be used to reduce debt.



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