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BSX Announcements

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**PFA DIVERSIFIED PROPERTY TRUST
TO ACQUIRE PERTH COMMERCIAL PROPERTY**

Property Funds Australia Limited, as responsible entity for The PFA Diversified Property Trust (BSX Code: PFD) announced today it has entered into an unconditional contract to acquire from the Commonwealth Bank of Australia a further property for the Trust, being the Sevenoaks office building located in the Perth suburb of Cannington and purchased for \$38.0M. The contract is due to settle on 10 February, 2005.

Sevenoaks is a modern 4 level 22,000m² office building located in the Perth suburb of Cannington, 11 kilometres south-east of Perth's city centre. The building is fully leased on a net lease basis to the State Government of Western Australia with 78% of it leased until 2017.

Sevenoaks has a large 5,500m² floorplate which is highly attractive to government and large corporate tenants due to spatial efficiencies. Two internal atriums within the building enable natural light to penetrate throughout. The building, which was originally built in 1992 for the Australian Taxation Office, has been constructed to a high government specification and offers a highly beneficial car parking ratio of 1 car space per 27m².

Property Funds Australia Limited Managing Director, Mr Chris Morton, said "We are very happy with this new acquisition for the Trust. We see it as a value buy in today's market. It offers strong fundamentals particularly with its long lease to a state government. Being located in Perth with the Western Australian Government as the sole tenant, it further enhances the Trust's geographic and tenant diversification. The property also comprises approximately 2 hectares of surplus land which has development potential."

The property has been purchased at a yield of 8.5% (including the surplus land value) or 8.85% (assuming the surplus land is sold at its current valuation) or at \$1,727/m² (approx.) of net lettable area. Our current intention is to dispose of the surplus land, once we have clarified its full development potential.

The Trust has a clear strategy to continue to grow its asset base through the acquisition of quality investment grade properties, diversified by property sector, geographic location, tenant profile and lease expiry. The acquisition of Sevenoaks fits within the Trust's target purchase price range of \$10M to \$50M and will increase the Trust's portfolio to 12 investment grade properties valued at \$278M.

The acquisition is being funded out of the proceeds of recent placements and through short-term debt facilities. However, this short-term debt will be reduced from part of the proceeds of a new \$25M capital raising. The capital raising will also enable the funding of future property acquisitions. Full details of the new Product Disclosure Statement are expected to be announced later this week.

The sale of Sevenoaks was negotiated by Peter Agostino of CB Richard Ellis, Perth and John Williams of Jones Lang LaSalle, Perth.

For further information:

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