

# Market downturn hits super returns too

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Industry superannuation funds will suffer short-term losses from the downturn in values of unlisted assets even though they weathered the sharemarket downturn better than retail funds. **Atchison Consultants** managing director **Ken Atchison** said the direct property market had displayed little indications of deterioration during the December quarter. However, valuations had begun to drop as capitalisation rates rose and rental income growth did not increase sufficiently to meet it. Director of research at Rainmaker International, Alex Dunnin, said the differences seen in listed and unlisted markets raised questions about whether the values represented the real worth of the particular assets. Westscheme chief executive Howard Rosario said the value of unlisted assets had not declined by as much as listed assets because the former was not affected by sentiment.