



RIO Property Group Ltd has produced an amazing 22.25% gain in the past twelve months alone and in doing so it has almost doubled its target return of 12%.

It makes my job worthwhile to receive emails from members invested in this investment expressing that they are more than satisfied with returns produced to date.

Looking to this quarter with some talk of slowdown in the housing sector, in spite of the last quarter's massive outperformance (7.71%) by RIO Property Group , it may surprise members that this investment looks set to record its sixth consecutive quarterly gain since inception.

With this quarters numbers already in healthy positive territory, there is potential for further growth, even though RIO are expecting settlement for invoices raised and submitted to the Local Government tenanted property. The commercial works were completed over 55 days ago - invoicing was on a 60 day terms and conditions period for settlement, after which there will remain a minimum 2.5% return for this quarter.

This Government occupied building underwent exterior repair/ renovation works whilst our property team awaited final ground clearance works to be completed at RIO's fourth project (new residential housing development) in order to have services (Gas, Electricity and Water) provided to site. The project is likely to add further to those already produced, since there has been significant interest from potential buyers.

#### General UK property market overview

The Bank of England revealed that there were 68,076 mortgage approvals in April. That was considerably higher than both the market expectation of 63,500 and the previous months reading of 61,945. Further data indicates that confidence within the UK construction businesses has climbed to its highest in almost a decade, partly as a result of the May election, when the Conservatives won a surprisingly decisive election victory. In short, there is "post-election bounce" in the sector.

My data showed that almost 4 out of every 10 homes were sold without the need for a mortgage in the first quarter of this year -a record high. In addition, mortgage approvals during May also rose to their highest level since March last year, according to data from the British Bankers' Association. The confidence in the housing market and the property market, in general, continues and the sector looks buoyant following the general election.

William Gray  
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