

EXECUTIVE SUMMARY

This Executive Summary is to be read in conjunction with the Broad Feasibilities as supplied.

This property had a formal valuation for funding purposes dated 20th June & 25th August 2008 and a new As Is valuation done February 2010. The initial valuation was done in 2 parts; 1 with DA approval on 2 of a 3 lot subdivision keeping the existing dwelling, and 1 'As Is'. The breakup is as follows;

The entire site is zoned High Density 1:200

Proposed Lot 1	8400 m2	3.35 M	(maximum density)
Proposed Lot 2	5347 m2	2.00 M	(replacement is 3.5-4M, no comparative sales at time of valuation)
Proposed Lot 3	7610 m2	1.90 M	(maximum density)
	2.14 H	<u>7.25 M</u>	

The new As Is valuation done in February 2010 (for funding purposes);
5.25 M

Note this reflects a 5% increase on the 2008 As Is valuation. Also note all figures are ex GST.

Nicol Investments has a current DA approval for a 2 lot subdivision. The quickest return on this site is to amend the existing DA approval to a 9 lot subdivision, with 3 lots having high density (multiple dwellings), 5 lots available for sale & 1 lot retained by Nicol Investments.

Site	Development Cost	Profit	Stage
Beachfront 17 Constructed Dwellings 5 blocks land	\$9.04 M (incl 417k contingency)	\$4.95 M	1
Total	\$9.04 M	\$4.95 M	
15 Constructed Dwellings / 5 Blocks of Land	(incl \$417k contingency)		

- a) Nicol Investments to do a Joint Venture that takes the form of;
\$2,000,000 Investment
- b) ROI to JV partner as follows;
- 50% split on net profit at completion - 18 months (approx 2.47M) - ROI = 124%
- c) the Beach' to be developed simultaneous with DA approval 'Parkside' with a similar concept as for 'the Beach'.
- d) Outgoings to be paid by development. (refer to Broad Feasibilities)
- e) Existing 1st mortgage to be paid by development
- f) Nicol Investments will prepare the existing residence for marketing simultaneous with the finalization of Stage 1 again to ensure security to JV partner
- g) Nicol Investments to contribute financially to pay for consultants & marketing and will project manage, organise all marketing, send fortnightly updates initially, then weekly and will ensure the success of this project.
- h) Nicol Investments will apply for DA Approval at their cost on proposed Stage 3 - ensuring security to JV partner by value adding to the property

Market

- * Operational works has commenced opposite our site on Shoal Point Road. Stage 1 is 40-50 residential allotments. There is also a commercial precinct planned. Total development size is 900-1000 lots. On the western boundary to that development is a proposed golf course and residential subdivision. I understand that they have presales to a mining company.
- * Adjoining property is DA approved for some 350 dwellings including boutique commercial. I have been advised that this property is under negotiation with 2 buyers at present.
- * Our target market will be to the mining industry, Professionals who have made wealth in Mackay & surrounding regions as well as 2nd & 3rd home buyers in Mackay
- * Adjoining estate 'The Shoals' house sales \$600,000 to \$1.05M (November 2008)
- * Land Sales \$245,000 to \$300,000 (700m2). There is no Beachfront Land available.
- * Sea Jewel Townhouses (not beachfront and no views) sold in 2008 for \$695,000 to \$1.06M, renting for \$450 - \$650 / week.

Note: these rents are low for this area due to this development not allowing for parking of 4WD vehicles in garaging and very poor management - this also accounts for low resales.

Disclaimer:

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