



Lauders
capital.

Quarterly Project Report

June
Quarter

JUNE 2021

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Map showing Lauders Capital Development and Investment Projects



A successful 20-21 financial year for Lauders Group.

Introduction

Lauders Capital and Lauders Group are celebrating a successful financial year with the commencement and delivery of several estate stages across numerous projects. Highlights include at Minton Place 90% of lots contracted have been settled and houses are now being built; at Glenmore construction commenced and both sales rate and price have been above forecasts. Construction started on Inverness with stage 1 sold out within the June quarter. Permits and approvals have been achieved for the Valley Views Neighbourhood (20 Buckland Way) at Harpers Rise. We are looking forward to the expression of interest launch early next quarter. Our two regional projects McGibboneys Rd, Wonthaggi and Wagner Rd Neerim South are now secured, and we are progressing to the next stage of the development life cycle.

This successful delivery of projects at, or above forecast is underpinned by our experience and expertise across the full project life cycle; from inception to completion and supports the ethos of 'buy right' and 'deliver successfully'.

'Buying right' requires a comprehensive analysis, costing and modelling for potential land developments. This initial modelling is the foundation for a project's success and the Lauders team have consistently demonstrated an exceptional ability to capture the correct inputs to provide accurate feasibility for success and forecast returns. This platform provides a basis for the practical application by our highly qualified and experienced professionals across all aspects of the project's development.

'Delivering successfully' requires experience and expertise to take a property from a broad hectare parcel through planning and civil construction to deliver titled allotments that have been marketed to achieve the best price possible and greatest project returns. This includes acquisition, structuring, design, permits and approvals, financial administration, project financing, contract administration, sales, marketing and investor management.

Lauders Group's success in acquisition and delivery underpins the shared investor rewards. Lauders Capital is proud of its track record with investors which is reciprocated by most investors choosing to reinvest with us. In this quarter Lauders Credit Fund (our very first fund) repaid all loans and all investors' principle and interest.

Lauders Capital's successful delivery of projects, its commitment to 'shared success' and engendered investor loyalty is demonstrated by our long term investors' eagerness to roll over their investments from projects nearing completion to new projects in the pipeline.

Australia remains investment destination of choice

The 2020-2021 financial year epitomises the strength and resilience of the Australian economy which recorded exceptional performance despite huge challenges. The economy remained robust despite significant drought, widespread bushfires, global and national lockdowns, shut borders and dislocated trade (AusTrade 2021).

A combination of Australia's diverse economy, an effective public health response that stemmed community transmission and a government economic stimulus package supported the Australian economy to outperform compared with the average across advanced economies. "In financial terms, Australia remains rock-solid. The Australian public sector debt ratio will be just 49% of GDP by the end of 2021. On current forecasts, this will be one of the lowest among developed economies." (AusTrade 2021).

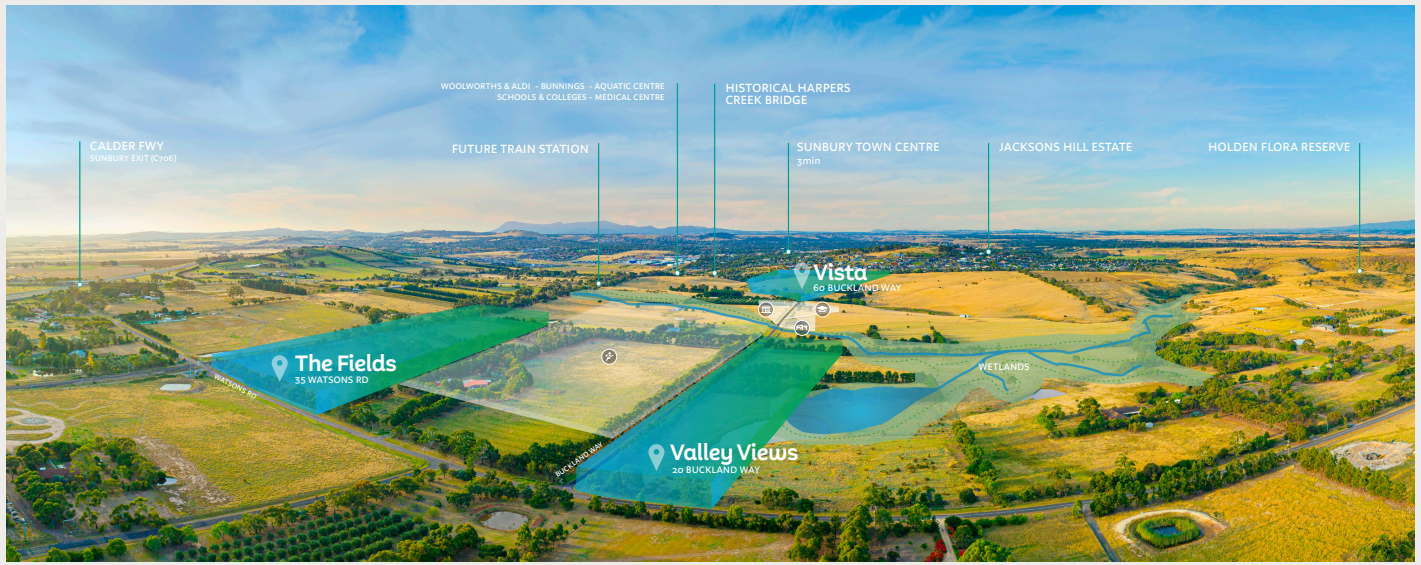
A reflection of Australia's economic resilience is the vote of confidence from the world's biggest credit rating agency S&P Global that recently revised the government's AAA rating to "stable" and removed it from a potential downgrade list. Australia is now one of only nine countries to hold a AAA credit rating from all three of the major rating agencies (AFR June 7, 2021). Retaining the AAA credit rating will help keep mortgage borrowing costs low which can translate to home buyer confidence.

Australia is home to just 0.3% of the world's population, but accounts for 1.6% (A\$2 trillion) of the global economy and according to the International Monetary Fund the Australian economy is set to become the 12th largest economy in 2021 (up two places from 2019). This out performance is also evident in Australia's financial markets which are large relative to the economy and equates to five times the value of Australia's GDP.

Australia's economic resilience, solid governance and strong global connections underpin international investors' interest in the Australian property market. I discuss some of the key drivers in the outlook at the end of the report.

Craig Bass
Managing Director

Sunbury's Finest Address.



Sunbury Harpers Rise

Valley Views (20 Buckland Way) Permit for 165 lots

Planning & Preliminary Works

Planning and preliminary works have almost been completed: the masterplan permit has been approved and amendments to the Cultural Heritage Management Plan have been ratified. On site works have commenced including farmhouse demolition, tree removal and site preparation for the sales office. The Sales suite is scheduled to be installed in August.

Civil Design

The Functional Layout Plan (FLP) for Stage 1 has been completed and Detailed Design is nearly complete. The Melbourne Water drainage design (Internal) is 60% complete and the external water main Layout plans have begun as have sewer works. The Watsons Rd / Buckland way intersection design has been received by council and we are now responding to their request for further information.

Marketing & Sales

Expressions of interest marketing is ready to be launched early in the next quarter (mid-August). Marketing assets both digital and hard copy assets are in place ready (including website) for full launch in September. Extensive signage details have been lodged to council for permit approval. Street names are awaiting approval and Building Design Guidelines have been sent to council for approval.





Sunbury Harpers Rise



View from Vista at Harpers Rise

Vista
(60 Buckland Way)
Forecast for 170+ lots

Planning & Design

Traffic engineers have been engaged and the following is scheduled to commence in the next quarter: Cultural Heritage Management Plan, Surveying, Engineering and Planning Permit application.

The Fields
(35 Watsons Road)
Forecast 100+ lots

Planning

Preliminary planning permit works are underway. A request for site signage has been submitted to landowners.





Beveridge Minton Place

Minton Place Permit for 264 lots

Planning & Civil Design

Lauders Development have been negotiating with council for some time to achieve an ultimate outfall location and we are very pleased to report we have come to an in-principal agreement with council. The preference to construct the drainage down Spring Street on Stage 2 results in the removal of a temporary retarding basin within the estate. This translates to savings and delivery of an extra six lots to settle in stage 2 this financial year.

Construction of drainage down Spring Street will also result in Stage 2 having 52 lots for sale and 4 lots held back as a superlot for the future Yarra Valley Water (YVW) pressure reducing valve (PRV) site and temporary sewer storage tank. The four lots allocated for a PRV will be acquired by VYVW.

The Traditional Owners (Wurundjeri Woi-Wurrung) (RAP) have witnessed the topsoil being stripped on Stage 2 in preparation for construction of the future stage. We will also require the Traditional Owners to witness the respreading of topsoil on the current stage under construction (Stage 5A). This is forecast

to take place in October 2021 shortly before Statement of Compliance (SOC) is achieved.

We have achieved the Certificate of Completion for the External Watermain works. YVW has also reimbursed us for 100% of the completed works.

Houses continue to be constructed in Stage 1 & 4 and settlements continue to occur on the remaining lots in both stages with only six lots left to settle across both stages.

Construction continues in Stage 5A despite considerable rain fall, the programme remains on track to achieve completion in October 2021.

Stage 2 Functional Layout Plan (FLP) has been approved by Council and selling of stage 2 lots has commenced. Our engineers are completing the Detailed Design which will be submitted to Council soon.

We are working with our engineers to commence the FLP on Stage 3 to ensure contracts of sales are in place at the sell-out of Stage 2.



Houses nearing completion at Minton Pl - Nankeen and Peregrin releases

Beveridge Minton Place

Marketing & Sales

Sparrowhawk Release

The Sparrowhawk Release (Stage 5A) was a limited release of 25 lots. It was promoted as an exclusive VIP pre-release opportunity to a selected number of clients who had shown strong interest in Minton Place. The results were extremely encouraging with numerous sales achieved across a variety of lot sizes and locations including the premium lots opposite the park.

Osprey Release

The Osprey Release (stage 2) offered a significantly different marketing opportunity compared to the Sparrowhawk Release (Stage 5A).

A total of 52 lots offering great diversity from level premium lots opposite the central park to lots in the lower corner of the development with considerable fall.

The strategy was to present Osprey in 3 releases to promote and take advantage of each unique characteristic.

Osprey Park Release

A limited number of premium level lots opposite the central park which are unique and a once-off opportunity. The promotion of the limited premium lots allows us to set a price precedent for the rest of the estate. The focussed marketing campaign led to strong sales with 12 of the 12 lots released sold.

Osprey Spring Street Release

The aim was to leverage against the high prices achieved in the Osprey Park release and offer an alternative for those who missed out.

One strong sales incentive was the FHO (First Home Owner's Grant) of \$20K which finished on the 30/6/21 and this was the last chance for purchasers to secure a block of land and apply for the \$20k support.

Osprey Arrowsmith Release (Future)

This will be the final Osprey release which will build on the success of the previous stages. The lots on this release are more traditional and range in lot sizes up to 512sqm.

Sales Summary

- Stage 1 (Nankeen)
 - 52 of 53 lots sold
- Stage 4 (Peregrine)
 - 37 of 37 lots sold
- Stage 5a (Sparrowhawk)
 - 25 of 25 sold
- Stage 2a (Osprey Park)
 - 12 of 12 lots sold
- Stage 2b (Osprey Spring Street)
 - 11 of 17 lots sold
- Stage 2c (Osprey Arrowsmith)
 - 14 lots due for release

Bulk earthworks
at Glenmore as
lots selling ahead
of schedule

Beveridge Glenmore

Glenmore Permit for 264 lots

Planning & Civil Design

Bulk earthworks commenced for stage 1A, 2A and 2B at the end of the last quarter. In this quarter, civil construction began for Stage 1A and 2A and engineers are gearing up to tender the civil works for Stage 2B.

Stage 3 Functional Layout Plan (FLP) design is underway to ensure contracts of sale are ready for market release.

Marketing & Sales

Stage 2 was released in two sub-stages (A and B) with the intent to test market on increased prices.

Strong sales on the increased 2A market price along with continued momentum allowed a further price increase into stage 2B. The subsequent strong sales on 2B positions the estate in good stead for the stage 3 release.

The revised stage 3 plan of sub (with additional 2 lots) has now been finalised with council and the release date is scheduled for August.

Sales Summary

- Stage 1A (Glen 1A) - 49 of 49 lots sold
- Stage 1B (Braemar) – 19 lots on hold pending MWC drainage solution
- Stage 2A (Ayre) - 27 of 27 lots sold
- Stage 2B (Ayre) – 31 of 34 lots sold
- Stage 3 (Mayfield) – 57 lots awaiting release



Beveridge Inverness

Inverness Permit for 52 lots

Planning & Civil Design

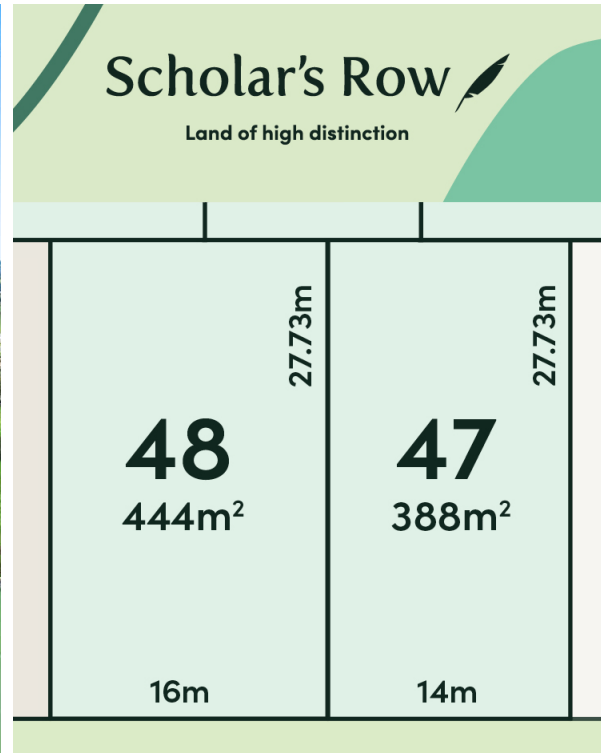
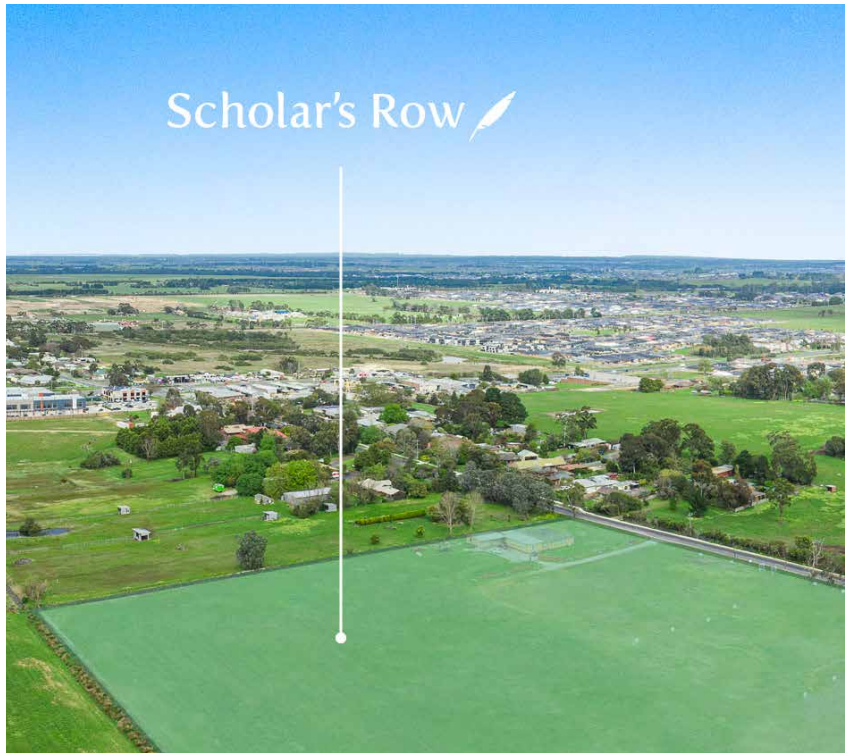
In this quarter Stage 1 construction commenced and it is anticipated that these works will be completed in the 2nd quarter of the financial year. Detailed design for Stage 2 is well underway. Approvals from the responsible authority are required for the realignment with adjoining owners' boundary for shared road access. We are working with owners to resolve this.

Marketing & Sales

Stage 1 sold out by May and stage 2 (33 lots) was presented to market as two smaller releases (14 + 19 lots). Prices from 2a will be used to optimise prices into stage 2b. Stage 3 is a 12-lot townhouse development coming soon.

Sales Summary

- Stage 1 – 7 of 7 lots sold
- Stage 2a – 14 lots to be released
- Stage 2b – 19 lots awaiting release
- Stage 3 – townhouse development



Officer

Scholars Row Permit for 54 lots

Civil Design

Initial site works are underway. Outfall drainage and sewer connections are being resolved with Melbourne Water and South East Water respectively. Native vegetation offsets have been confirmed and prepared for payment along with tree removal. NBN works awaiting tree removal.

Marketing & Sales

Sold out.



Gippsland Wonthaggi

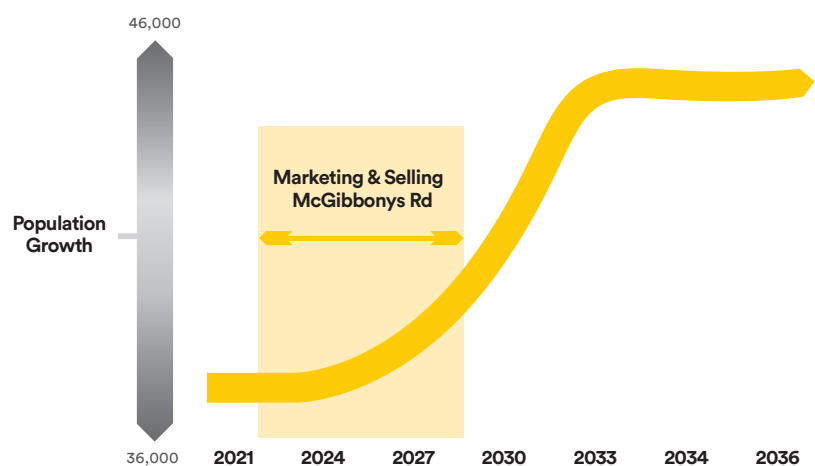
McGibbons Rd Wonthaggi Forecast 550 lots

Planning

We are pleased to confirm Due Diligence investigations were satisfied and we have entered an unconditional contract securing approximately 550 allotments. The Wonthaggi Northeast Structure Plan is anticipated to be finalised and implemented by April 2022. Lauders Group will monitor the progress of the PSP.

Investor Information Pack available on request

Forecast Growth in Wonthaggi* 2021 - 2036



*Population and household forecast, 2016 to 2036, prepared by .id (informed decisions), November 2017.



Gippsland Neerim South

Neerim South Forecast 15 lots

Planning

The planning application for 15 acreage allotments (4,000 sqm to 6,000 sqm) was lodged May 2021 and the application is being assessed within councils' statutory timeframes. Council have requested further information which have been promptly addressed by our consultant team in an effort to achieve approval before the end of the year. Marketing is due to proceed in late 2021.





Rockbank South PSP

995 Greigs Rd

Planning

Greigs Road is in the Rockbank South PSP. This is listed as in the 'pre-commencement' phase in the Victorian Planning Authority's Business Plan for 2020-21.

Settlement is forecast for 2024 and it is anticipated that the PSP will be authorised in time for settlement.

The team

With an enviable track record, Lauders Capital has the holistic expertise to understand risks, solve problems and deliver projects on time and as planned.



Craig Bass

*Managing Director
Lauders Group & Lauders Capital*

The foundation of Craig's success is his understanding of business, investment and finance, an unqualified commitment to integrity-based relationships and a belief in shared success.



Clinton Burke

*Director Development
Lauders Group*

Clinton is renowned for his end-to-end knowledge of the development process, a hardearned reputation for reliability and a seemingly endless well of energy.



Sounik Chatterjee

*Founder and Director of MLCap group
(CAR of Lauders Capital), and Authorised
Representative of Lauders Capital*

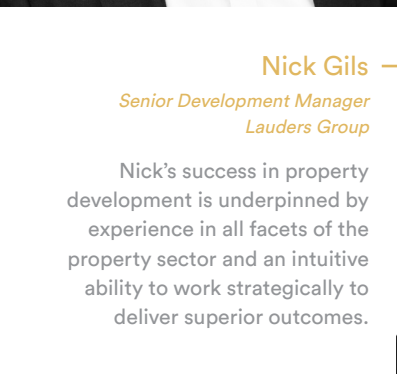
Sounik provides innovative and exclusive investment solutions for international and domestic investors. He is Co-founder and Non-Executive Director of Precinct Land Consultants, providing land development consultancy services.



Shona Bass

*Executive Officer
Lauders Capital*

Shona is a successful leader, consultant, businesswoman, professor, author and educator with extensive experience across the medical, education, health and sport sectors.



Nick Gils

*Senior Development Manager
Lauders Group*

Nick's success in property development is underpinned by experience in all facets of the property sector and an intuitive ability to work strategically to deliver superior outcomes.



Tim Chamberlain

*Chief Financial Officer
Lauders Group*

Tim has held diverse accounting, finance and compliance roles, including project related experience with multinational companies Microsoft, Boeing, Gillette, Incitec Pivot and Cadbury Schweppes.



Elaine Lin

*Accountant
Lauders Capital*

Elaine is known for her excellent accounting, compliance and reporting skills.



Sabah Gill

*Accountant
Lauders Group*

In addition to her technical skills, Sabah has an ability to handle multiple tasks with superior attention to detail throughout every aspect of work.





looking forward

Lauders Group has enjoyed a very successful and productive 2020/21 financial year. We look forward to building on this success in both our current and recently acquired projects. The next few years will see the completion and titling of 600 lots in Beveridge (Minton Place, Glenmore and Inverness); simultaneously we will be launching projects of more than 600 lots in Melbourne's northwest growth corridor (Sunbury) and more than 550 lots in regional Gippsland in Victoria's south (Gippsland and Neerim South).

The unveiling of our Valley View neighbourhood at Harpers Rise in Sunbury is scheduled for early September 2021. We are extremely excited to be launching this three-neighbourhood project in the thriving growth corridor of Melbourne's northwest. The Harpers Rise precinct offers premium opportunities surrounded by wetlands, open spaces, views and the convenience of easily accessible transport and services with a future village, school and train station within walking distance. This project not only offers an excellent opportunity for investors but also to homeowners who purchase early in such a premium estate.

Planning and preparation of our Wonthaggi and Neerim South projects is progressing well with anticipated marketing release for Neerim South in early 2022.

We are confident with projections on future developments as this is underpinned by our expertise to 'buy right', the robust Australian economy (as discussed in the introduction) and the continued strong growth in the Australian property market.

There are numerous indicators that demonstrate that the Australian property market has not only 'weathered' the Covid-19 challenges of the last financial year but has prospered in this setting (CoreLogics 6 July 2021) and is likely to be the status quo moving forward. There is strong evidence that new house demand is persisting beyond the HomeBuilder Scheme (CoreLogics 6 July 2021). Key drivers in the buoyant regional and rural housing markets include historical low interest rates, the new popularity of remote and flexible working arrangements and the increased demand for lifestyle-oriented properties and holiday homes (CoreLogic 6 July 2021).

Our confidence is also shared by international investors. The latest Foreign Investment Review Board annual report shows a surge in foreign buyer investments of 15.5 per cent, taking it to the highest level in three years (Domain, 25 June 2021). The United States leads international buyer demand for property with \$13 billion worth of investment, trailed by Singapore with \$9.5 billion and mainland China in third place with \$7.1 billion.

Smaller but significant and increased interest in the Australian property market came from Europe (Germany \$3.68 billion and France \$2.4 billion invested) and Canada (\$3.3 billion) (Domain, 25 June 2021).

Executive chairman of Asia-wide real estate tech company Juwai IQI, Georg Chmiel, said "When it comes to cross-border real estate buyers, Australia is now more attractive than ever." Victoria commands most of the foreign investment in real estate, with 3000 of the 7056 approvals, followed by NSW with 1329 approvals and Queensland with 1311 (Domain, 25 June 2021).

The outlook commands a very positive projection for Australia's land and real estate development sectors. This projection is framed by a robust Australian economy, historically low interest rates, a flourishing property market, a continued drive for regional and rural housing and a surge in international investments. Lauders Group is well placed to take advantage of this optimistic outlook, and we invite sophisticated investors to contact us to explore how our suite of investment opportunities may align with their portfolio.

Craig Bass
Managing Director

Lauders capital.

Lauders Capital is a leading provider of wealth creation opportunities, primarily through Australian residential property. With an enviable track record, Lauders Capital has the holistic expertise to understand risks, solve problems and deliver projects on time and as planned.

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Craig Bass

Managing Director

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